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PRODUCERS'  
MARKET**



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**AMERICAN ALLIANCE INSURANCE COMPANY**

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**MASSACHUSETTS FIRE AND MARINE INSURANCE COMPANY**

**NORTH CAROLINA HOME INSURANCE COMPANY**

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**THURSDAY, FEBRUARY 28, 1946**



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It doesn't matter whether you are in a regularly scheduled airliner, a private plane, a chartered-plane, a company-owned plane, or a

military airline plane—whether you are over America, Europe, Asia or the North Pole. *If you are in the air, you are covered!*

Ask your own Insurance Agent or Broker about this newest Indemnity policy which brings you the broadest coverage at the lowest cost.

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## Bankers Split on Bank-Agent Plan's Value

### Argue Merits of Direct and Indirect Auto Financing at Chicago

At the Illinois Bankers Association conference in Chicago last week, two speakers championed the opposing schools of thought into which bankers are presently divided on the best method for wresting auto installment loan business from finance companies and the position of the insurance agent in the auto picture.

Frank G. Anger, president of the Industrial National Bank of Chicago, called for widespread adoption of the bank-agent plan and for direct approach to the car buyer. William W. McCarthy, vice-president of the National Shawmut Bank of Boston, said that only by working indirectly through auto dealers, allowing the dealers to handle insurance, could banks hope to capture much auto installment business.

#### Praises Bank-Agent Plan

Mr. Anger praised the N.A.I.A. for its work in developing the bank-agent plan and said that in local agents banks have thousands of reputable paid salesmen who only ask that they handle insurance. He declared it has always been his contention that insurance is not an automobile accessory like a radio or spare tire and should not be sold by the automobile dealer, but by a full time insurance agent.

Mr. Anger said the only reason the bank-agent plan does not show impressive figures as against indirect dealer methods employed by finance companies and banks is that the plan has never gotten started, and predicted that if banks give it a fair trial they will find the plan the answer to their auto installment problems.

#### Cites His Bank's Experience

Citing the success of his own bank in working with insurance men in Chicago, Mr. Anger said that in 1941 10 or 12 insurance men regularly turned over a good volume of auto business and that the bank has great plans for expansion of this field in the near future. He said that his bank has provided agents and brokers with 1,000,000 pieces of advertising which they in turn have distributed to customers.

Mr. Anger termed the direct method of obtaining installment paper to be in keeping with the traditional practices of American banking. On the other hand, he branded working through an automobile dealer incompatible with tradition. He called upon each banker present to confer with an insurance agent in his town to set up a bank-agent plan. Such a relationship between one agent and one bank can be increased to include all insurance and banking interests in the locality.

#### Speaks of Insurance Advertising

He said that banks should take advantage of the great volume of excellent insurance company advertising which is being unleashed to point out the advantages to auto buyers of dealing through banks and insurance agents. He said that in their policyholders agents

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## Agency Limitation, and Kindred Rules OK, N.A.I.A. Claims

### Executive Committee at New Orleans Voices Faith in Regulations

The executive committee of the National Association of Insurance Agents, in session at New Orleans, took the stand that agency limitation and other local board rules that are properly drawn are not outlawed by the S.E.U.A. decision or by public law 15. Moreover the committee expressed the belief that these rules are in the public interest and in the interest of the proper regulation of insurance.

The executive committee will shortly get out a statement rationalizing its position in this matter.

#### Stands by Other Rules

Other rules the executive committee believes are in the clear are those of the in-or-out variety, non-intercourse, preferred type of company representation, qualification for membership.

Taking this position the executive committee supported the recommendation of the metropolitan agents committee of N.A.I.A.

## Wind Rates Higher Than E. C. in Ind.

The rate for extended coverage on dwellings and contents in Indiana has been reduced from 18 to 16 cents.

At the same time the straight windstorm rate has been increased from 16 to 18 cents.

This change conforms to the experience that is universal. The extended coverage record has been good because of the high ratio of insurance to value. On the other hand, the straight windstorm insurance record has been extremely sour. That is due to the fact that there are a large number of so-called maintenance policies in force, the familiar \$1,000 contract that keeps the roof shingled. Whether increasing the cost of straight windstorm insurance beyond the price for wind and all the other coverages in the extended coverage contracts will tend to bring about a switch of windstorm insurance to E. C. remains to be seen.

At the same time these rate changes were made, a number of other revisions were put into effect in the Indiana rule book. The budget plan of insurance taking the place of the former pro rata term plan was put into effect and the business interruption revisions that have been effectuated in Illinois, Ohio and certain other states and that have been publicized are made applicable in Indiana.

### Vernon Rooks Joins Nat'l Underwriter as Associate Editor

Vernon Rooks, first lieutenant of the marines, now on terminal leave, is joining THE NATIONAL UNDERWRITER at Chicago as associate editor. Prior to the war he was assistant insurance director of Kentucky and was a member of the committee on blanks of the National Association of Insurance Commissioners.

Mr. Rooks attended University of Kentucky in the journalism department and then was connected with newspapers in a news capacity at his home

## Harrington Urges All-Out Multiple Line Measure

BOSTON—Commissioner Harrington appeared before the legislative insurance committee to argue for an all-out multiple line bill for the commonwealth, speaking in favor of a measure mainly supported by President Bowersock of Boston and Old Colony.

The multiple line bill which went into effect Jan. 1 permitted domestic companies to write multiple lines "outside the country" but within the state domestic companies still are limited to their original charter rights. The bill before the committee asks for the right to write such lines "outside of Massachusetts." Commissioner Harrington would amend the bill to permit writing the lines in Massachusetts as well. Competition from companies of other states was argued as reason for broadening the scope of the Massachusetts law.

## French Lick Parley Expands

The meeting of the all industry committee at French Lick Springs, Ind., March 11-15 has expanded into more of a gathering than was at first anticipated. A. V. Gruhn, American Mutual Alliance, who is in charge of arrangements, got a commitment from the hotel to supply 15 rooms but that will probably not be enough. At the recent accident and health committee meeting of the insurance commissioners at Chicago, a number of the state officials became interested in attending the French Lick meeting and it is understood that the group will include Thompson of Oregon; Harrington, Massachusetts; Allyn, Connecticut; Dineen, New York; Dressel, Ohio; Pearson, Indiana, and McCormack, Tennessee.

Meetings of the all industry group with the conference committee of the commissioners are scheduled for March 11-12 and then the all industry committee and its various subcommittees are scheduled to hold sessions during the succeeding three days.

## Pa. Dept. Has No Say on Deviations

Under the Pennsylvania fire insurance rating law of 1921, the insurance commissioner has no power to approve or disapprove rate deviations. His office is merely a place of record where deviations and the reasons therefor may be filed as a public notice.

This was the substance of an opinion given by Attorney General Duff to Commissioner Neel.

The attorney general concluded that if the legislature had intended to give the commissioner a say on deviations, it would have said so in simple English. In workmen's compensation rates, the commissioner is given specific authority and the procedure is set up for hearing and appeal. There is no such procedure outlined in the fire insurance rate section.

city of Paducah and at Lexington before joining the Kentucky department.

Mr. Rooks served in the Pacific during the war. He saw action on Okinawa and he was in Japan.

Mrs. Rooks is employed in the Kentucky department and she will continue to reside at Frankfort for the time being.

## Ask Supreme Court to Pass on Retaliatory Law

### New Question Posed in Am. Indemnity Kansas Tax Appeal

WASHINGTON — Constitutionality of state taxation of foreign insurers' premiums is again attacked before the U. S. Supreme Court, this time by American Indemnity in appealing from the supreme court of Kansas in suit against Commissioner Hobbs of that state. In No. 791, the company has filed in the supreme court a "statement as to jurisdiction" of that tribunal.

The appeal is from a Kansas decision refusing the company's demand for a writ to compel Hobbs to issue it a Kansas license without paying the premium taxes.

This case poses an issue that is not contained in the Prudential South Carolina premium tax litigation—over which the U. S. Supreme Court has taken jurisdiction. Involved in the American Indemnity case is the retaliatory feature of a discriminatory premium tax law, American Indemnity being from Texas, being charged 4.05% in Kansas instead of the 2% that is levied against other foreign insurers.

The Supreme Court has scheduled for argument March 4 No. 707, Prudential vs. Benjamin. This is the South Carolina premium tax case.

American Indemnity contends the Kansas law and taxes are unconstitutional and discriminatory, a burden upon interstate commerce, and not in line with public law 15 and the S.E.U.A. decision. Domestic companies are not subject to the taxes or to correlative or corresponding tax, American Indemnity says. It claims it is denied equal protection of the laws and deprived of property without due process. However, the Kansas court sustained the law, with 3 out of 7 judges dissenting.

#### Urge Quick Final Decisions

The court is told the case is very important, that there are numerous cases in which the constitutionality of state premium taxes is being litigated. Importance is urged of obtaining final decision on questions at issue before the time comes for the companies to undertake additional litigation contesting the validity of 1946 premium taxes. The Kansas tax is declared to be retaliatory and not reciprocal.

Concerning the effect of public law 15, the company says "Congress has no authority to levy a tax in a particular state for the benefit of that state, nor does Congress have authority to adopt as its own a state law which it could not constitutionally enact. Congress has no authority to authorize the state of Kansas to levy a 2% tax, or a discriminatory retaliatory tax, on foreign insurance companies, but, if the interpretation placed on public law 15 by the supreme court of Kansas is permitted to stand, the effect is to delegate to the state authority which Congress itself does not possess; and so construed would violate . . . the Constitution."

The court's attention is called to the fact that 12 states of 28 "whose premium tax statutes as of Jan. 1, 1945, in petitioner's opinion placed a burden on interstate commerce have recently en-

(CONTINUED ON PAGE 8)

## First Nat'l Drops Deviated Rates for Participating Plan

### Contends Stock Company Dividend Program Has Many Advantages

First National announces that April 1 it will discontinue its 20% deviation program and instead will write at full tariff rates, and will pay dividends to policyholders of 15%. A participating clause endorsement will be attached to the policies thereafter. The agent's commission ranges from 15-25%.

The management, in making the announcement, states there are many advantages in the stock company participating plan. "The use of full published rates removes the stigma of 'cut rate' insurance with which deviated rates are so frequently associated," the announcement states.

"In the fire insurance business, unlike the casualty and automobile business, the public has grown to believe that the rates are made by state authorities and should all be the same. Whenever they are offered rates lower than standard, their inclination is to believe that the product is inferior.

#### Competitive Advantage

"The participating plan overcomes this feeling, but at the same time it offers the agent a competitive advantage because it gives him an opportunity to talk to the assured about the company and the participating plan of operation. This is impressed upon him by repetition at every expiration when the agent delivers the dividend check, while under the deviating plan, too frequently the assured has forgotten about the saving which was reflected in his rate only the first time the policy was written, renewals being at the deviated rate.

"Some may say that if there are no earnings and the dividend is reduced to nothing, why buy a participating policy? Anyone will agree that a participating stock company, is better than one that does not participate. It is a known certainty that the non-participating policy never will pay a distribution of earnings to the policyholder in the form of a dividend; while under the policy with the participating clause, the insured may share in the earnings and receive a dividend. Our companies have a long, consistent record of dividend payments to policyholders, all the way from 10 to 25%. The current rate of dividend is 15%. This dividend is sent to the agent well in advance of expiration date in the form of a check which is calculated on the full premium paid and earned under the policy, with no deduction for partial or total loss.

"It is true that there are mutuals operating on the participating plan. Whether their dividends be large or small, the fact remains that under the

## McConnell Named in Tex. for Royal Liverpool Group

Russell C. McConnell has been appointed Texas regional manager for Royal-Liverpool group.

Mr. McConnell joined Royal-Liverpool group in 1912 as special agent in Texas. From 1919 to 1922 he traveled Oklahoma as special agent and then returned to Texas as state agent. After 17 years in that capacity he was appointed a representative of the special service department to handle Ohio and during the next few years extended activities to represent the brokerage and general cover departments.

### Agricultural Ponders Multiple Line Question

In the annual report to stockholders of Agricultural, President H. W. Tomlinson remarked that one of the noticeably marked trends in the insurance industry is toward multiple line underwriting. Several important states have broadened charter powers so as to permit fire companies to write casualty insurance to some degree and vice-versa. This may well spread to all states eventually. Many competitors now have casualty affiliates and others are acquiring them. "This is a subject to which your directors and officers are giving much thoughtful study," he said.

stock company participating plan there is capital stock subscribed and paid-in by stockholders which stands back of every policy—money invested in the company to guarantee that it is soundly and skillfully managed, to the end that the policyholder will be paid his loss, even under adverse circumstances.

#### Assessing the Stockholder

"In the state of Washington the law provides in case of emergency for a 100% assessment of stockholders of an insurance company, the same as stockholders of banks are assessed. This means that under our stock company participating plan the stockholders are liable for assessments—never the policyholders.

"Most mutuals have removed the assessment feature from their contracts. In so doing they have removed the strongest protection back of the mutual policy. Their assessment liability was their hidden strength, for they have no capital stock.

"The commission schedule which will go into effect in connection with all participating policies, will average a greater return. The rate of commission under the participating plan is calculated on the full dollar of premium. Instead of a deviated dollar, the full dollar of premium is added into your contingent.

"At the present time only fire, wind-storm and extended coverage policies will be written on this plan."

## Northern, N. Y. Veterans Retire

### Wetzel and Williams to Inactive List; Conklin and Others Advance

NEW YORK—At a testimonial dinner here Tuesday executives and department heads of Northern of New York paid tribute to two retiring veterans, Richard W. Wetzel, vice-president in charge of the western department, and William Williams, vice-president in charge of country wide underwriting.

President George Z. Day announced that both are being placed on the inactive service list, and at the same time made known several changes in the company's executive staff.

Charles H. Conklin becomes first vice-president and will assist Mr. Day in countrywide operations of the company. He has been vice-president.

#### Other Advancements

Hoyt O. Perry was elected vice-president in charge of finances; H. Richard Scherme secretary in charge of the western department; Fred O. Theen secretary in charge of the automobile department; Charles Forssell secretary in charge of the loss department; Herbert G. Guempel, manager of the eastern department; J. L. Brandmaier, assistant secretary in charge of the Philadelphia service office, and Charles B. Spieser, assistant secretary in charge of the Chicago service office.

Mr. Conklin started with Assurance Company of America in 1923 and when it was merged with Northern of New York in 1926 he went to the New Jersey field as state agent. He occupied this post for 14 years. He returned to the home office as secretary in 1939 and was elected vice-president in 1945, in charge of the eastern department and of inland marine operations. He organized the inland marine division in 1944.

#### Guempel Makes Record in N. J.

Mr. Guempel was named state agent in New Jersey in 1939 to succeed Mr. Conklin and on his record was advanced to assistant secretary in 1945. He was with American for 20 years as special agent in Essex county before joining Northern.

Mr. Perry instituted the finance department of the company last year.

Mr. Scherme was with Standard of New York, with Mr. Day, and then went with the Aetna Fire group when it purchased Standard. He succeeds Mr. Wetzel in charge of the western department. During his career with Standard, he occupied several posts including that of secretary in charge of agency operations.

Mr. Theen has been head of the automobile department and will continue in that capacity. He also has been handling brokerage. He was also formerly with Standard.

Mr. Forssell continues in charge of the loss department, a post he has held for some years. He has been with Northern 30 years.

#### Younger Executives

The changes represent the efforts of Mr. Day to gather around him a group of young men as executives. They also represent merited recognition of men who have been with the organization for many years.

Mr. Williams has been almost 50 years with Northern. He joined it when it was started by the Burke Brown agency organization of New York. That firm had the New York & Boston Lloyds and formed Northern and Eastern, which was later absorbed by Northern, out of the operations of the Lloyds concern. Mr. Williams started in the brokerage department. In 1904 when the company entered New England, he went to Boston as special agent in charge of

## Blanket U. & O. Rule in Middle West Drawing Criticism

The major point of complaint about the new use and occupancy rules and forms in the middle west is the requirement that blanket insurance on more than one location under either of the two item contribution forms—mercantile or manufacturing—must carry 100% coinsurance. This requirement is not found in any other territory.

This rule has aroused much resistance among agents and insured, one of the principal objections being that it requires an insured to carry more insurance than he could ever collect, since the 100% coinsurance clause would require insurance on the basis of the full value at every location, and obviously a fire or other disaster causing a total shut down of every insured location for one year is remote. Considerable sales resistance is being encountered where lines which previously carried blanket use and occupancy insurance with the old 80% coinsurance requirement are coming up for renewal and agents and underwriters are having a difficult time convincing insureds of the justice of this requirement.

#### Hampers Holding Lines

Many observers think this was a bad mistake in public relations. Use and occupancy insurance was sold during the war to an extent never realized or even hoped for previously. Now these men feel that the fire insurance business may be mulling a golden opportunity to keep a good volume of business interruption insurance permanently on the books, by requiring more insurance than was needed previously. They feel the time is most inopportune, as many insureds who previously bought insurance freely, figuring they could make the government pay most of the premium, as an income tax deduction, are now checking expenses under the new tax laws.

In most territories, there is a requirement of 80% coinsurance where the gross earnings form is written blanket at more than one location. This form has a minimum coinsurance requirement of 50% at a single location. Underwriters feel this is defensible, as the chance of more than a loss of 50% of the insured's annual gross earnings is quite real, but the 100% requirement under the two item form for blanket coverage has few, if any, defenders.

#### Examiners Rap Rule

At the meeting of the Association of Fire Insurance Examiners in Chicago last week, where J. C. O'Connor, editor "Fire Casualty & Surety Bulletins" and associate editor of THE NATIONAL UNDERWRITER, discussed the new Middle Western business interruption forms and rules, this coinsurance requirement on blanket risks came in for much criticism during the forum. Most of the examiners present had been called upon by agents and field men to justify this rule and all of them were at a loss to do so.

#### North America New "Ad" Series

The North America companies are running a series of newspaper "ads" illustrated by peculiar forms of wildlife. Detected at producers, they point out that North America has in one office multiple facilities for brokers or agents to place or quote any type of insurance.

For 50 years, Mr. Williams notes, there have been almost constant changes in insurance practice and policies, and practically all have been in favor of the customer. The trend steadily and persistently has been in the direction of broader coverage and insurance of risks not before granted.

## Mutual Fire Companies' 1945 Figures

	Adm. Assets	Unearned Prems.	Net Surplus	Net Prems.	Net Losses Paid
Donagel & Conoy Mut. Fire.....	633,278	285,429	312,853	278,315	84,493
Farmers Alliance .....	2,360,842	1,381,851	772,587	1,227,325	541,697
Farmers Mutual Reinsurance.....	5,285,590	1,871,057	2,184,435	2,548,976	722,987
Grange Mutual Fire of N. H.....	315,914	135,808	164,282	117,510	49,209
Hingham Mutual Fire .....	1,165,300	430,806	699,577	317,344	136,929
Iowa Mutual of Des Moines.....	1,589,490	864,209	555,850	1,020,863	421,774
Mayflower Mutual .....	238,485	108,581	92,279	138,094	100,228
Mutual Auto Fire, Pa. ....	852,572	255,899	459,266	483,474	187,137
Northwestern Mutual Fire .....	15,712,145	9,784,299	4,132,739	10,226,046	3,370,568
Ohio Hardware Mutual .....	394,194	224,720	115,441	283,185	111,920
Ohio Mutual .....	483,943	81,959	383,781	86,193	38,788
Tompkins Cooperative .....	346,359	201,169	124,580	209,831	95,579
Tri-State Mut. Grain Dealers.....	953,146	237,751	682,023	330,207	108,811
Utica Fire .....	876,001	295,792	315,829	286,843	125,046
Washington County Fire .....	850,719	365,750	449,067	313,931	145,383
West Bend Mutual Fire.....	738,438	212,243	484,219	197,405	67,887
<b>RECIPROCAL</b>					
Erle Ins. Exchange .....	914,364	299,420	303,221	737,261	362,179
Druggists Indemnity Exch. ....	294,177	24,319	259,932	63,943	30,848
Midwest Lumbermen's Inter-Ins. Exch....	87,009	9,368	74,692	19,579	1,822



## Put Up Stout Fight Against D. C. Rate Cut Order

### Permanent Injunction Is Sought Against Superintendent Jordan

WASHINGTON — Fire insurance companies to the number of 171 doing more than 80% of the business in the District of Columbia have filed a complaint in the district court here, seeking relief from the recent rate reduction order of Superintendent Jordan.

The companies are acting through an informal committee headed by J. Victor Herd, vice-president of America Fore. They claim that the order is illegal and without force since it does not comply with the rating law passed by Congress, and would compel the companies to operate at a loss.

As a result of the alleged arbitrary and unwarranted action, it is stated, the rates ordered are inadequate, confiscatory and discriminatory and do not provide for the reasonable profit mentioned in the rating act.

The companies state that if the correct totals for premiums earned and expenses incurred had been used for the period an underwriting loss, rather than an alleged underwriting profit, would be shown.

#### Warrants Rate Increase

Such underwriting loss, it is claimed, "would not and could not warrant a decrease in rates for fire insurance in the District of Columbia, but warrants an increase in rates."

The companies charge that the order violates the provisions of the District of Columbia code, and also the 14th amendment of the Constitution.

A voluntary reduction in premiums was put into effect by the companies and tentatively approved by Jordan Jan. 29, 1945. Since then he has ordered a further reduction to become effective

(CONTINUED ON PAGE 9)



J. V. Herd

## Pacific Board Ends 12-Month U. & O. Shutdown Limit

SAN FRANCISCO — The Pacific Board has changed its use and occupancy rules to permit removing the 12 month limit of insured shutdown from all policies, except those to which the premium endorsement is attached. This time limit was put in force in 1941, along with a similar change in eastern and southeastern states, and could be increased by paying an extra premium.

Another rule change permits the two-item contribution forms to be written with 100% coinsurance, as well as 80%.

These two changes put the Pacific Coast use and occupancy situation closer to that of the middle west, rather than the east and southeast, which it has been following since 1941. There is no time limit at all in middle western forms, including the new ones which are going into effect at present in the various states in that territory, and the premium adjustment endorsement is not in force there as yet. The alternative of 80% or 100% coinsurance under the two-item contribution forms has been in force in the middle west for many years.

The Pacific Coast business interruption rate schedule has also been revised so that all forms, including the "specified time" forms, take a percentage of the 80% average clause building rate. Previously, the rate for the weekly form was based upon the 80% building rate, and all the other use and occupancy building rates were expressed in percentages of the weekly rates.

### Would Extend Participating Policy Right in Mass.

BOSTON — The Massachusetts legislative insurance committee heard only favorable comment on the bill which would extend the right of stock companies to issue participating policies in Massachusetts, if permitted by the laws of the state or government where a foreign company is domiciled. Last year Massachusetts passed a law permitting stock companies to write under the participating plan, providing the charter of the company permitted it. It developed that other states were permitting the practice by legislative enactment, even where not provided for in company charters.

There was no opposition to the measure although Commissioner Harrington said he felt such companies should embody in their bylaws notice to the effect, that policyholders might be informed the company was to share its profits with policyholders.

## Carlson Manager of R. I. in West; Other Changes

NEW YORK — At the directors meeting of Rhode Island this week William M. Carlson, who has been resident vice-president and manager of the New York City office for the past five years, was elected vice-president and western department manager. Previously, he was manager of the brokerage department and then agency superintendent of Pearl for six years and before that had been agency superintendent of Svea and Hudson. He started his insurance career with the latter two companies, working up through the ranks.

Charles A. Mason, assistant treasurer, was advanced to treasurer. F. Wiley Clark, secretary, was made vice-president and secretary. C. H. Williamson, marine manager, was named vice-president and marine manager. He has been in the marine business for many years. At one time he was in charge of the inland marine department of Pearl, then Pacific Coast manager of Frank D. Hall & Co. and vice-president of Willcox, Peck & Hughes, New York.

Howard Butcher 3rd, of the Philadelphia banking house of Butcher & Sherrard, and Lowell M. Birrell, president of Claude Neon Lights, Inc., were elected to the board.

## Home Premiums Hit \$74½ Million

The premium income of Home soared to \$74,559,648 last year exceeding by better than \$3 million the previous high record which was made in 1944.

Assets also reached a new pinnacle, the figure being \$172,203,602 as compared with \$147,045,440 the previous year.

Surplus to policyholders amounts to \$85,066,859 as compared with \$68,910,481.

### Home Group Chicago Shifts

C. T. Hoskinson has been discharged from the navy as a lieutenant, is attending the Home's refresher course and will soon return to Chicago and Cook county as special agent. He occupied that post before the war and started with the company at Chicago in 1937.

V. P. Dunlap, special agent in the National Liberty service department at Chicago since 1934, has been transferred to western Michigan as special agent with headquarters at Grand Rapids.

## Miller Defends Branch Office Plan

### General Terms N. Y. City Agent "Middleman, General Agent"

Criticism by Gustave R. Michelsen, chairman branch office committee of the N.A.I.A., of General of Seattle entering New York city on a branch office basis, has been answered by W. Leslie Miller, New York resident vice-president.

Mr. Miller answered criticism on a point by point basis as raised by Mr. Michelsen.

General has advised brokers in New York of its purpose of dealing direct rather than through a "city agent."

Seeking to define his terms, Mr. Miller said: "Perhaps we should first understand each other on the meaning of the word 'agent' and should not allow any confusion to exist as to the difference between New York city 'agent' and the agent or broker who is a direct producer of business, the man who sells policies to the assured. It is a fact, I believe, that the New York city agent occupies more a position of general agent than producing agent or broker and acts as a middleman between companies and agents or brokers developing his premium volume for such agents and brokers and, perhaps, forbidden by association rules from being a direct producer of more than a small percentage of total premiums passing through his office."

"Actually, is it not true that New York City agents are not truly agents in the parlance of the business, nor in the category of the multitude of agents for whom we are striving to preserve the American agency system?"

"It seems natural to me that as a New York city agent, more a general agent than agent, you would deplore our action because we would become your competitor with the brokers who are the producers of business, but it seems to us that to be in direct contact with the producer, rather than indirect through a city agency is our proper function as a company and that through working directly with them and our many local agents we are doing a forward-looking and constructive job of assisting materially in the preservation of the American agency system, of which we are loyal supporters."

This was in answer to criticism by Mr. Michelsen that the plan was not forward looking and constructive, that contact with the former agency was indirect, that it might not preserve the American agency system, and that Mr. Michelsen, as an agent, deplored the action.

The final criticism was that General's program is merely that of retiring from the agency in New York city to establish a branch office. Mr. Miller said: "Specifically, as you know, we have not just at this time opened a branch office in New York city. We have had such an office for years, dealing formerly through a city agent with whom our contact was in no way indirect as you suggested. Neither do we intend, through this newly initiated program, to put our branch office in the direct sales operation in competition with our agents and brokers, which is the practice followed by you New York city agents and is the thing most agents fear and which, if allowed generally, would ring the death knell of the American agency system. The years also have proved that we can be most helpful to producing agents and brokers when our contact is direct rather than through the middle man, such as the New York city agent. Our purpose is to continue to be helpful to the producer and through him to the assured, and thus helpful in preserving the American agency system."

## Fire Company Experience in 1945 by Lines

	Fire		Extended Coverage		Tornado-Windstorm		Sprinkler Leakage		Riot & Explosion		Motor Vehicle	
	Premiums	Paid Losses	Premiums	Paid Losses	Premiums	Paid Losses	Premiums	Paid Losses	Premiums	Paid Losses	Premiums	Paid Losses
Agricultural .....	5,428,077	2,649,602	761,587	269,755	102,133	\$9,510	29,754	3,218	46,075	1,235	1,177,719	755,956
Amer. Fire & Cas. ....	160,054	55,400	8,206	1,220	3,401	2,670	—33	10	.....	.....	895,631	333,171
Am. Fire of D. C. ....	60,830	19,628	5,071	845	.....	.....	.....	.....	.....	.....	.....	.....
American General. ....	674,020	220,516	187,233	53,263	4,802	9,511	.....	.....	3,435	.....	126,645	56,287
Camden Fire .....	5,265,483	2,503,986	772,718	333,069	101,893	97,921	22,275	6,666	24,647	7,927	1,588,831	756,292
Central .....	1,070,830	503,036	146,590	60,281	13,703	13,480	7,367	1,548	13,129	2,236	192,867	99,210
Central Union .....	146,641	47,647	20,638	6,662	2,766	2,025	.....	.....	.....	.....	.....	.....
Charter Oak Fire. ....	595,137	253,162	104,739	40,968	7,987	8,841	3,110	767	5,389	380	.....	.....
Church Prop. Fire. ....	44,158	39,377	3,112	1,084	2,120	2,408	.....	.....	.....	.....	.....	.....
Comm. Stan. F&M. ....	168,370	43,280	75,241	16,158	5,021	9,209	.....	.....	408	.....	3,610	523
Export .....	22,768	17,164	2,516	823	697	133	2	.....	1	.....	.....	.....
Farmers Fire of Pa. ....	935,107	494,261	105,801	39,956	8,987	7,386	4,421	466	1,619	549	.....	7
Iowa Fire .....	102,886	42,276	23,204	80,909	18,989	23,582	.....	.....	.....	.....	8,596	3,835
Merch. Fire, Colo. ....	354,805	148,915	188,820	60,884	30,230	25,074	1,984	211	1,376	55	116,702	127,546
National Security. ....	356,943	167,695	48,863	20,093	4,567	4,493	2,422	516	4,376	1,078	64,289	33,070
N. Y. Underwriters. ....	1,613,419	766,000	194,008	73,637	25,979	25,438	869	10,606	854	211,699	123,795	.....
New Zealand .....	1,607,033	684,759	160,681	44,284	4,835	5,866	9,965	15,549	4,019	69,074	45,491	.....
North America .....	19,036,983	8,945,761	2,606,053	1,071,673	243,625	239,646	129,193	27,520	233,415	57,536	3,428,754	1,763,740
Northwestern F&M .....	606,425	287,620	69,199	24,614	31,585	1,975	2,898	353	4,531	256	95,253	47,378
Northwestern Natl. ....	1,594,165	817,143	258,542	132,135	105,284	1,029	101	3,160	329	699,824	345,158	.....
Philadelphia F&M .....	1,189,811	563,985	162,878	66,979	15,226	14,977	8,074	1,720	14,588	3,896	214,297	110,233
Pioneer Fire .....	34,380	4,644	10,050	677	1,391	712	.....	.....	.....	.....	947,016	973,323
Premier .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	293,703	165,222
Speaker City F&M. ....	273,806	159,664	38,314	16,470	9,902	9,523	651	448	385	16	.....	.....
Reliable Fire .....	410,181	232,496	71,952	20,676	7,718	7,620	1,661	154	2,193	107	.....	.....
Rocky Mt. Fire. ....	125,448	49,074	10,826	3,573	415	2,305	124	.....	963	.....	9,847	7,844
Secured F. & M. ....	35,767	11,118	15,747	2,891	813	782	.....	.....	.....	.....	88,930	31,565
South British .....	234,572	107,962	19,231	5,322	86	.....	73	.....	8	.....	.....	.....
State Farm Fire. ....	882,211	292,265	387,253	68,600	7,930	4,969	58	56	1	.....	139,950	82,377
Twin City Fire. ....	378,340	208,815	26,479	6,056	4,317	395	.....	.....	5,953	122	19,061	9,476
Utah Home Fire. ....	991,064	436,876	114,480	77,857	14,116	5,768	3,801	748	9,392	1,323	74,533	51,176

## Aero Develops Rating Plan for Aircraft Risks

NEW YORK—Aero Insurance Underwriters has brought out a new formula for rating aircraft risks which will develop rates on individually owned aircraft varying from as little as 5% of the plane's value to 20%. This will assure buyers of aircraft of scientifically calculated rates which should be just about right for their particular risks, thereby placing the cost of insurance exactly where it belongs, according to Maj. G. L. Lloyd, manager of Aero.

Said Major Lloyd of the new plan: "Rating of an aircraft risk involves many factors. The capability of the pilot and his adaptability for the use to be insured, the care and upkeep of the aircraft and so forth all have a bearing on the risk; further, most of these factors are not tangible, like the installation of sprinklers on a fire risk or the provision of guards on machinery on a workmen's compensation risk. However, the approach to the rating of an aircraft which we have evolved can be made practicable if applied by a field underwriter with the necessary local knowledge and then checked by an inspector in the course of his routine safety inspection. In this way, there is reason to hope that a procedure for rating aircraft risks has been introduced which will be of lasting benefit to aviation."

Under Aero's new rating plan which incidentally applies only to hull coverages, the applicant fills out a form which goes into considerably greater detail than the usual application form. It is designed particularly to elicit information about his prior crash history. His statements, while representations only and not warranties, are carefully checked, by field men.

The form asks how much experience the applicant has had in the type of ship he is going to fly, his total number of flying hours since his last crash, the use to which the plane will be put, the type of flying, whether private pleasure, private business, etc., and whether the plane will be used by others; the type of maintenance, whether by a full-time me-

## Muskegon Loss \$1½ Million

An entire down-town city block of Muskegon, Mich. was destroyed in a fire Feb. 22 with an estimated insurance loss of about \$1½ million.

The fire is believed to have started in the basement of the W. D. Hardy Department Store and spread through eight other stores in five business buildings. It was halted by a fire wall of the Montgomery Ward store, which had undetermined smoke and water damage.

Early estimates of losses, all total, are: Hardy Co. furniture and fixtures, \$74,000, U. & O. \$325,000, stock \$205,000, customers' goods \$40,000; Wright Co., jewelry store, \$70,000; E. T. Krauthem jewelry store, \$6,000; Buel's Shoe Store, \$50,000; Daniels Book & Office Equipment Store, \$7,000. Building losses are estimated as: Hardy building \$40,000; Dearborn building \$45,000; Montgomery building, \$35,000; Schlossman building, \$50,000. Rent losses on the Dearborn building are \$9,600 and on the Schlossman building, \$15,000.

The Mangel's women's clothing store and Walgreen's drug store had over \$100,000 loss.

Western Adjustment and Underwriters Adjusting are co-adjusters on most of the loss. Toplis & Harding are ad-

chanic, and approved repair station, etc.; the approximate date of his last check flight to test his skill on instrument flying; the area in which the plane will operate, etc.

There is a basic rate according to the plane's type of use. The make of plane is not a factor. There is a schedule of credits and debits for the various specific items, such as type of maintenance, crash record, etc. Within each of these credit and debit items there is a certain amount of leeway for underwriting judgment. However the range for application of judgment is quite narrow, so that rating comes very close to being on the same basis as the rating of, say, a house or an office building.

The plan is in some respects an outgrowth of a schedule rating plan for aircraft developed in 1930 by A. Broom, formerly of Aero, and Jerome Lederer, now Aero's chief engineer.

justers on the Walgreen loss.

Several buildings are believed underinsured and the total loss may be about \$2 million.

The \$40,000 loss in the fur storage vault of the Hardy Co. was regarded as a large amount at risk for this time of the year. The explanation may be that there were coats left in storage by owners that are in the south this winter. The insurance was with Automobile.

The fire apparently started in the basement waste paper room of the Hardy store. The store seemed doomed almost from the start, and the department made determined efforts to prevent the fire spreading to adjoining buildings. At one time during the course of the evening it was thought that it had been brought under control, but then it broke out into adjoining buildings. Four buildings were destroyed, and a fifth seriously damaged to such an extent that it may have to be demolished.

This disaster brings forcibly to the minds of insurance men the inferiority of the old brick and wood joist construction. All of these buildings were of that type. The Montgomery Ward building on the east side of the fire is a modern fire-proof structure, and stopped the fire from going any further east. Another observation made by insurance men is the folly of permitting fire walls between adjoining structures to be removed in their entirety or to be punctured with openings. The spread of the fire to the adjoining buildings through fire walls was occasioned by wood joists having been anchored into the walls so that the fire could travel through.

The Muskegon fire department could not cope successfully with such defective construction. It also brings prominently to the front the importance of building codes to prevent such defective construction and tampering with fire walls. Muskegon has a new building code ready, and is in the course of reading by the city commission, and will be adopted as soon as possible. This is patterned after the code of Kalamazoo.

Oscar M. Wien has returned to the brokerage firm of Arthur Lazarus & Co. in Chicago after 3½ years in the army infantry as a captain.

## Postwar Problems Are Considered

SAN FRANCISCO—Underwriting problems resulting from economic and war changes were discussed Monday before associate members of the Fire Underwriters Association of the Pacific in a lecture by W. G. Rich, assistant manager Royal-Liverpool group. This was one of a series of lectures.

He said that until policies are brought into line with the present purchasing power of the dollar, premiums will not be on the same basis as losses.

He was particularly concerned over business interruption insurance, because this field especially is feeling the effects of the prevailing strike situation. "Last fall there was a fire in a sprinklered pulp and paper mill," he said. "The business interruption insurance loss was enhanced by at least 60%—if not 100%, because the assured could not obtain certain materials and supplies necessary to repair and replace the damaged property. There was no strike in the assured's plant but there were strikes in other plants and industries from which the assured expected lumber, machinery, etc. The business interruption situation is potentially less desirable today than it was during the war."

Mr. Rich noted increased windstorm losses on the coast which fall under the extended coverage endorsement and said some risks that are fairly good fire hazards are exceedingly poor windstorm risks.

He discussed the broader dwelling house form giving off-premises coverage of 10% which he said has multiplied losses. There have been a number of disastrous losses in laundries, dry-cleaning establishments and furniture storage concerns.

Mr. Rich said the rate is the least important part of a policy, for a low rate never stopped a poor risk from burning. He expressed confidence rates would not increase because of public opinion and competition. A high rate level would drive better risks to more reasonable markets and would breed unsound underwriting conditions. The salvation of the business rests in knowing the risk and providing a coverage free of ambiguities; seeing that adequate insurance is carried and writing a proper line, one that the company can comfortably carry.

### Cartwright Makes Gain

Charles M. Cartwright, editor of The NATIONAL UNDERWRITER, who is confined to the Evanston hospital, Evanston, Ill., has registered improvement from the lowest point of his illness, which is a combination of lung and heart involvement. Oxygen was administered to him for more than a week but this has now been discontinued and he seems to be making some gains.

Mr. Cartwright is approaching his 50th year of insurance newspaper work. It was in June, 1896, while he was a reporter on the Chicago "Inter-Ocean" that he was assigned to handle the insurance column of that paper and he has been at that type of work ever since.

### H. A. Dever Opens Office

H. A. Dever, an investigator and adjuster in the head office of Zurich in Chicago, has resigned to establish his own office there in 155 North Clark street. He will specialize in preparation of trials for attorneys and insurance companies. He started in Chicago with the Globe Indemnity claim department in 1921 and after 16 years with that company joined Zurich.

### N. Y. Board Losses Up

Losses assigned to the New York Board committee on losses and adjustments for January numbered 378 and amounted to \$1,524,111. This was an increase in number of 18% and in amount of 23%.

# MARSH & McLENNAN

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## Insurance

### CHICAGO

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## Marine Prospects Called Bright

Assets and policyholders surplus of both Boston and Old Colony increased about 10% last year. The assets of Boston are now \$33,011,685 and policyholders surplus \$22,483,319. For Old Colony the figures are \$13,334,718 and \$9,864,600.

Combined net premiums written were about 7% higher, the writings of Boston being \$7,194,393 and of Old Colony \$2,388,961.

Fire losses were up about 7½%; the automobile line was more unprofitable than in 1944. President D. C. Bowersock predicts that the unfavorable trend will continue until there is a reasonable distribution of new cars.

Marine operations were very satisfactory but did not produce enough profits to overcome the loss in the fire and automobile divisions. Boston had a net underwriting loss of \$297,431 and the loss of Old Colony was \$10,792.

### Prepare to Tap Flow

Mr. Bowersock states that the prospects of increased marine business are bright because of the expansion of foreign trade anticipated during the next few years. The management is taking steps to expand its operations by making new connections, placing additional men in the field and opening additional marine underwriting offices.

As of Jan. 1, the underwriting, reinsurance and loss operations of the two companies were pooled. This is expected to bring about some economy, simplify the handling and broaden the spread of the business.

### Establish Fixed Surplus

A fixed surplus of \$15 million has been established for Boston and \$6½ million for Old Colony. Any changes in the actual surplus of either company in the future will be reflected in the voluntary reserve. Mr. Bowersock expressed the belief that this is a sound accounting procedure since the surplus changes from day to day with the fluctuations in the value of investments and other assets, and the changes in liability are constant.

### New Dallas A. & H. Officers

The Dallas Association of Accident & Health Underwriters has elected as new officers Porter Bywaters, Employers Casualty, president; Ted Teel, American Hospital & Life, vice-president; Wallace Cantwell, Great American Reserve, secretary-treasurer.

Named as directors were Fred Randolph, Paul Revere Life; Travis T. Wallace, Great American Reserve; A. W. Hogue, Business Men's Assurance; Thad Childre, Occidental Life; Ben Haughton, International Travelers Assurance; John L. Bontly, Provident L. & A.; Claude Phillips, Hooper-Holmes Bureau.

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## Insurance Study of Atom Energy Urged

NEW YORK—Formation of a joint insurance committee representing fire, casualty and life interests was recommended for the study of atomic energy and the planning of proper underwriting controls by R. M. Huyler of the America Fore group in a talk before the Automobile Claims Association here.

Speaking on atomic energy and the insurance business, Mr. Huyler emphasized the dangers of injury as a result

of the radioactivity set up by atomic fission and the possible effect on workmen's compensation, accident and health and life insurance. Because use of atomic energy for power production requires a minimum installation of 50 tons weight to protect against radioactivity, there is little likelihood of its use in automobiles but eventually it may be employed in steamships, railroad locomotives and power plants.

The question was discussed whether a car on a lift, damaged when the lift falls, is insured under comprehensive or collision. The consensus favored collision and not comprehensive.

## Hershe Returns as F. & G. State Agent in Kan., Neb.

W. B. Hershe, recently discharged from the navy with the rank of lieutenant, has resumed duties as state agent of Fidelity and Guaranty Fire for western Missouri, Kansas, and Nebraska, with headquarter at Kansas City.

Business of the March 12 meeting of the Insurance Women of Pittsburgh will be nomination and election of officers. Installation ceremonies will be held at the April meeting and Harold V. Lundy, Ocean Accident manager, will be speaker.

# A WINNING COMBINATION

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REALIZING that when the local bank gets the financing the Hometown Agent gets the insurance, Fireman's Fund has created a practical advertising plan designed to promote Bank financing of cars and appliances. Providing a follow through for the "Bank & Agent plan," it consists of an original theme—HOMETOWN CREDIT-SAVINGS—backed by a series of advertisements for banks to use in their local newspapers. "Credit-Savings" immediately suggests bank financing. It is similar to an installment savings account except that the customer gets the money before he saves it, enabling him to buy for cash. He then accumulates the necessary funds through regular "deposit-payments" plus interest on unpaid

balances. "I save because it gets me things and use while I save" is a typical appeal. In this manner the plan avoids the negative terms borrow—debt—loan. Instead it associates the idea of Bank financing with saving for a goal with the added advantage of getting the money in advance. A brochure explaining the plan is being mailed to all banks and to every agent representing a company of Fireman's Fund Group.



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## THE PLAN

includes free newspaper mats for banks supplied through agents of the companies of Fireman's Fund Group.

## NEWS OF THE COMPANIES

### New High Marks for National Union

Assets of National Union Fire increased last year by \$2,251,744 to an all time high of \$26,953,626. Policyholders surplus is also at a new peak of \$8,610,227, the increase being \$579,506. There was an increase of \$3,702,949

in the portfolio of stocks. Government bond holdings were up \$710,834 but other bond holdings decreased \$1,520,755.

Premium reserve increased \$957,721, indicating an increase in premium volume and the trend toward larger writings of three and five year business.

On the basis of market values, assets and surplus would be increased by \$597,324.

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### NATIONAL INSPECTION COMPANY CHICAGO, ILLINOIS

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Inspections and Underwriting Reports.

J. G. Hubbell, { Managers R. L. Thiels, Ass't Mgr.  
H. B. Chrissinger, { P. A. Pederson, Chief Inspector

### '45 Best Year for Reinsurance Corp.

Reinsurance Corp. of New York at Dec. 31 had assets \$10,430,234, an increase of \$1,409,817. Government bond holdings increased during the war about \$700,000 to \$4,177,609. A voluntary reserve of \$1,016,820 was set up for possible future change in security prices. Including this the policyholders' surplus is \$6,655,642 as compared with \$5,197,906 at Dec. 31.

President Karl E. Prickett stated that in many respects 1945 was the most satisfactory year in history. There was an earned underwriting profit of \$460,444 and net investment of \$246,446. Security appropriation plus net profit from sales of securities aggregated \$1,176,642. There was an increase in net surplus of \$440,917.

The report states that continued progress was made during 1945 in the development of the American reinsurance market. Reinsurance contracts are now being written for approximately half of the stock fire companies in the United States.



Karl E. Prickett

### Camden Fire Writings Up 18%

Premiums of Camden Fire soared 18% last year to the largest total in history, \$9,199,706. This necessitated an increase of \$953,663 in premium reserve. Consequently there was an underwriting loss of \$187,650.



J. F. Gilliams

Although premium income has been rising, President J. F. Gilliams states that evidence abounds that insurance has not kept pace with the rise in values. That is so because insurance is not usually reviewed except at policy expiration which may mean a three or a five year lag and even then, insurance is rarely increased adequately. Nevertheless, when a loss occurs the insurer pays on the basis of the greatly increased cost for repairs and replacements. Since most losses are partial, they cost the insurer more than the compensating premium. However, he warned that the assured also suffers severely through inadequate coverage where the loss is total or where co-insurance is applicable.

Automobile premiums increased substantially but the losses were severe. Inland marine showed the largest percentage increase and the result was entirely satisfactory.

The assets are now \$18,583,701, capital is \$2 million and net surplus \$5,067,396. The losses incurred were \$4,384,901 giving a ratio to premiums earned of 53.18.

### New Setup for General of Tex., Houston F. & C.

John M. Ferguson, Jr., president of General of Fort Worth, Tex., has been elected president of Houston Fire & Casualty, an affiliated company. He succeeds Col. James Anderson, resigned. Gregory T. Crisp has been elected vice-president of both companies.

Mr. Crisp, formerly vice-president and general sales manager of American Mutual Liability, will have charge of the casualty departments of both companies.

He is a native of South Dakota and started in insurance with Continental Casualty. Later he went with Crum & Forster and managed the borough agency of Royal Indemnity in New York City. He has served on the aviation committee of the U. S. Chamber of Commerce and on the insurance committee of the American Management Association.

J. E. Chennault, executive vice-president of Houston F. & C., has been named vice-president and secretary of both companies. William A. Daily, former special agent of Houston F. & C. in Houston, has been transferred to the home office in Fort Worth as chief underwriter. Charles Ferguson has been named assistant secretary in charge of the agency departments of both companies. C. M. Mace is chief accountant and C. M. Daily, formerly with Associated Indemnity and U. S. F. & G., home office underwriter for fidelity and surety lines.

### Vote on Carvalho Offer

Stockholders of Northeastern at the annual meeting March 5 will vote on a proposal of the directors to accept an offer from B. N. Carvalho, former president, to receive \$17,500 from Northeastern in settlement of all claims. The Babson group now in control of Northeastern expresses the belief to stockholders that this is a fair settlement.

Mr. Carvalho resigned in October, 1944, and the directors approved an agreement to pay him an annual pension of \$5,000 a year. However, the stockholders last March disapproved that action and negotiations have been under way since that time.

Mr. Carvalho recently retired also as president of Metropolitan Fire Reinsurance and is making his home on a newly acquired farm at Paris, Ky.

## FIELD

### Graf, Brown Divide Ohio Field

With the return of Glenn F. Graf from the army, Hanover has divided responsibility for the Ohio field between Mr. Graf as state agent in the western part of the state, and Paul Brown, state agent in eastern Ohio.

During Mr. Graf's absence, Mr. Brown has been handling the entire state. Both men have headquarters at Columbus.

Mr. Graf was a lieutenant colonel at the time of his separation from service. He was executive officer of a signal service battalion and his most recent duty was in China.

### Set Minnesota Outing Date

MINNEAPOLIS—Minnesota field men will have their customary summer



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outing June 19-20 at Pine Beach hotel near Brainerd, Minn. Three organizations will participate, the Blue Goose, Minnesota Underwriters Association and Minnesota Fire Prevention Association.

### Hold Ohio Field Meeting in Cleveland March 4-5

Preceding the meeting of the Ohio Fire Underwriters Association at Cleveland March 5, the Western Reserve puddle of the Ohio Blue Goose will hold its annual stag party there March 4. There will be a business meeting, initiation and a dinner.

R. E. Julian, manager of Ohio Inspection Bureau, Columbus, will talk to the Ohio F.U.A. on "Recent Rule Changes in Dwelling House and U. and O. Forms."

In the afternoon there will be a special meeting of the executive committee of the Fire Prevention Association of Ohio. Enlargement of its activities will be discussed. Richard E. Vernor, Western Actuarial Bureau, Chicago, will attend.

Town inspections have been arranged by the Fire Prevention Association as follows: Findlay, Feb. 28; Union City, March 19; Delphos, April 9; Minerva, May 2; Urbana, May 23.

### Estabrook State Agent in Maine for Aetna Group

Harold M. Estabrook has been appointed state agent in Maine for the Aetna Fire group.

Mr. Estabrook is a graduate of Massachusetts Institute of Technology, and has been in the insurance field for many years in both agency and company work, recently as special agent of Fire Association. He is a past president of the Bay State Club and formerly chairman of the executive committee of the New England Insurance Exchange.

### Westerman Joins National Union in Detroit

Francis G. Westerman, recently discharged from the navy with the rank of lieutenant, has joined National Union Fire as special agent in Detroit. He will assist Manager L. C. Nichols.

Mr. Westerman is a graduate of Armour Institute as a fire protection engineer. Prior to entering service, he did engineering work in several western states and was with the North America companies.

### Sunflower Puddle Meets

There was an overflow crowd at the February meeting of the Sunflower puddle of Blue Goose in Wichita to welcome back G. L. Hampton of Phoenix of Hartford, who has been a naval lieutenant, and to bid farewell to F. M. Humphrey, who leaves for New York after handling the Kansas field for Phoenix during the absence of Mr. Hampton. Mr. Humphrey was given a decanter with a blue goose engraved on it. There was a 45 minute panel discussion of the new 1943 policy by Maynard Whitelaw of Western Adjustment, W. S. Gibbons of St. Paul and Ewing B. Fergus, Kansas Inspection Bureau.

### Inspect Pontiac, Mich., March 13

The Michigan Fire Prevention Association will inspect Pontiac March 13. J. L. VanWagoner, local agent, and Edwin M. Beresford, president of the Pontiac Association of Insurance Agents, are directing the local arrangements. H. K. Rogers, Western Actuarial Bureau will speak.

### Honor Departing Ia. Field Men

A party was given in Des Moines to honor four field men leaving the Iowa field, with 87 in attendance. Fountain pens were presented to the four men, Ray W. Wetherald, St. Paul F. & M.; E. V. Sharp, America Fore;

Ralph Rinard, National Fire, and William E. Evans, Phoenix of Conn.

### Traver to Speak in Newark

The New Jersey Special Agents Association will hold a dinner meeting in Newark March 4. George Traver of the public relations committee of the National Board will speak.

### Travelers Special Agent Shifts

David P. Spring of Hartford, recently appointed special agent of Travelers Fire, has been assigned in that capacity at Kansas City.

The title of Walter A. Johnson, fire

survey engineer at Minneapolis, has been changed to special agent.

### Va. Field Club Elects April 17

The annual meeting of the Stock Fire Insurance Field Club of Virginia will be held at Virginia Beach April 17. Hunter M. Gibbons, state manager of Home, is now president.

### Glasgow, Ky., Inspected

The Kentucky Fire Prevention Association inspected Glasgow last week, with 24 field men present. Julius V. Bowman, Fire Association, Louisville, was a speaker.

### Ohio Windstorm Wrecks Over 100 Planes on Ground

About 100 aviation losses are reported as the result of the windstorm which swept through Ohio and the central middle west two weeks ago. Nearly 40 of these are expected to be total and practically all were caused by poor tie-down of planes.

The largest loss was at a factory where 80 planes were grouped in a field, nearly all of them insufficiently tied. More than 40 of these were wrecked when the wind pulled them loose from their moorings.

## Agricultural Insurance Company

of Watertown, N.Y.

### ADMITTED ASSETS

Real Estate . . . . .	\$ 302,377.72
FHA Insured Mortgages . . . . .	917,392.91
Other First Mortgages . . . . .	605,691.01
U.S. Government Bonds . . . . .	3,738,506.83
Canadian Government Obligations . . . . .	995,400.20
All Other Bonds . . . . .	1,299,118.11
Preferred Stocks . . . . .	2,847,780.00
Stock in Empire State Ins. Co. . . . .	2,550,380.28
Common Stocks . . . . .	4,168,110.00
Loans on Collateral . . . . .	20,500.00
Cash and Bank Deposits . . . . .	2,089,044.50
Net Uncollected Premiums . . . . .	1,489,127.73
Other Admitted Assets . . . . .	261,729.47
	<b>\$21,285,158.76</b>

### LIABILITIES

Reserve for Unearned Premiums \$ 8,127,320.38	
Reserve for Unpaid Losses and Adj. Exp. . . . .	2,629,674.84
Reserve for Federal Income Tax . . . . .	110,000.00
Reserve for All Other Taxes . . . . .	247,600.00
Reserve for Dividends . . . . .	120,000.00
Other Reserves and Liabilities . . . . .	276,344.70
Total Reserves and Liabilities . . . . .	<b>\$11,510,939.92</b>
Capital . . . . .	\$3,000,000.00
Voluntary Contingency Reserve 1,000,000.00	
*Net Surplus . . . . .	5,774,218.84
*Surplus to Policyholders . . . . .	9,774,218.84
	<b>\$21,285,158.76</b>

\*At actual market values for securities, this figure would be increased \$237,281.10  
Securities carried at \$581,623.08 are deposited as required by law.

## 93<sup>rd</sup> ANNUAL STATEMENT

December 31, 1945



## Empire State Insurance Company

of Watertown, N.Y.

### ADMITTED ASSETS

U.S. Government Bonds . . . . .	\$1,918,090.58
Canadian Government Obligations . . . . .	397,272.73
All Other Bonds . . . . .	578,547.45
Preferred Stocks . . . . .	1,577,490.00
Common Stocks . . . . .	423,300.00
Cash and Bank Deposits . . . . .	257,938.58
Net Uncollected Premiums . . . . .	159,330.83
Other Admitted Assets . . . . .	22,972.43
	<b>\$5,334,942.60</b>

### LIABILITIES

Reserve for Unearned Premiums . . . . .	\$2,031,830.10
Reserve for Unpaid Losses and Adj. Exp. . . . .	645,648.49
Reserve for Federal Income Tax . . . . .	5,000.00
Reserve for All Other Taxes . . . . .	65,400.00
Other Reserves and Liabilities . . . . .	20,001.91
Total Reserves and Liabilities . . . . .	<b>\$2,767,880.50</b>
Capital . . . . .	\$1,000,000.00
Voluntary Contingency Reserve . . . . .	100,000.00
*Net Surplus . . . . .	1,467,062.10
*Surplus to Policyholders . . . . .	\$2,567,062.10
	<b>\$5,334,942.60</b>

\*At actual market value for securities, this figure would be increased by \$78,307.24.  
Securities carried at \$294,055.30 are deposited as required by law.

## 18<sup>th</sup> ANNUAL STATEMENT

December 31, 1945

## Bankers Split on Bank-Agent Plan

(CONTINUED FROM PAGE 1)

influence the most reliable bloc of consumers in their communities.

Mr. Anger said both banks and insurance agents were going to have to work out to boost the volume of auto credit loans to a level which will spread expenses. He predicted that the existence

of a cash reserve in the pocket of almost every consumer today will tend to give him a sense of security so that he will have no hesitancy in applying for installment credit, and said that the opportunities in this direction would far surpass those of any previous period. He warned, however, that the sellers' market is temporary and the consumer will soon be back in the driver's seat which means that banks and agents will have to provide real service to customers to hold them for the future.

Mr. Anger declared that while bank

rates must be low enough to compete with finance companies, there is no reason to go off the deep end to abandon reasonable caution in rates. If the finance companies can undercut banks in handling loans and insurance agents in handling insurance, the banks and agents must make up the differential in greater service to customers. This means that banks and agents must be prepared to service auto customers in the evenings as well as during the day, because a great volume of automobile business is transacted in the late afternoon and the evening. Instant service on extending credit and arranging insurance is one of the features that has given finance companies a terrific advantage and banks and agents must work to whittle down this advantage. "If we really work hard at this plan, bankers' hours will be a thing of the past," he said.

Mr. Anger termed it the business of the bank and agent to ferret out the great percentage of prospective installment business which has never been cultivated. He said a number of people have paid cash for automobiles or have been high pressured by installment companies, because they were not aware of the bank-agent plan. A bank dealing with customers directly has a terrific advantage over a bank dealing indirectly through an automobile dealer because it does not have to sock the customer for a kickback to the auto dealer. Nor does the bank have to accept all business, good and bad, the way it has to do if it enters a contractual relationship with an automobile dealer. The bank and the insurance agent can weigh each risk in the conservative manner traditional to the two industries.

### Same Used Car Rates

He said that rates under the bank-auto plan should be the same for new and used cars because the direct method is predicated on the character of the consumer, rather than upon the type of automobile he is buying. Because of this, the repossession rate on automobiles will be so low it will not be a factor. He said that banks and agents are in a strong position to make a real contribution to the American people through sound service which represents real progress from pre-war days of "additional cost in fine print" automobile installment business.

Mr. McCarthy, on the other hand, said that direct auto financing in general and the bank-agent plan in particular could scarcely be regarded as more than supplements to the main way in which the bank can compete with finance companies, through automobile dealers. He said that by the indirect method in the representative year of 1941, the magnitude of indirect automobile financing done by finance companies and banks was seven times as great as that done by direct methods. He said that the direct method will never become popular because it can never overcome the disadvantage of not being able to finance the consumer immediately at the point of issue. Direct business and business through insurance agents has so many limitations, he said, that percentage-wise it will never be a factor.

### Agents' Business Insignificant

Mr. McCarthy contended that insurance agents have been responsible for an insignificant portion of business and that there was no reason why the process of buying a car should be made clumsy through the handling of insurance by career agents or brokers. He said the best thing for a bank to do is to contract with the automobile dealer for all of his business and to see that the dealer arranges a similar contract with an insurance company. He said that auto insurance could be mastered easily by car dealers and that insurance license examinations in most states were not difficult.

Mr. McCarthy said automobile manufacturers are showing an increasing tendency to enter into franchise arrangements with banks to honor wholesale credit arranged by the bank for the auto dealer and that the only way for the banks to win over the installment busi-

ness of the automobile dealer is to extend him credit to buy floor cars. He called for the bank to beat finance companies at their own game by offering favorable loan rates and loan service and insurance at the point of issue. They accomplish this by tying up with automobile manufacturers and insurance companies in the same way finance companies are tied up with manufacturers and maintain their own insurance companies.

He said that by no means should banks ignore any business which might be brought in to them by insurance agents, but that this business would act merely as a minor supplement, rather than a real method of attack. He said that retail paper has proved so good that banks need have no fears that by contracting to handle all the business of an auto dealer they will run into a high proportion of bad risks. Another advantage of the indirect method is that the auto dealer and not the bank takes the responsibility for repossession of autos.

Earlier in the session, Earl O. Turner, president of the State Bank of Toulon, stated that banks should make no loans to farmers for implements where the farmer does not have fire and theft insurance on his machinery. Mr. Turner said that there was an increasing inclination on the part of finance companies to refuse implement credit where there is no insurance.

## Retaliatory Law to Supreme Court

(CONTINUED FROM PAGE 1)

acted legislation which either completely or practically eliminates the aforesaid premium tax discrimination."

Thus some states have "impliedly acknowledged" unconstitutionality of their premium taxes and "have voluntarily done what should be required of all state legislatures" through a decision holding taxes such as that of Kansas unconstitutional.

American Indemnity says its business is interstate commerce and that the annual Kansas taxes in question on foreign companies yielding over \$1 million "bear no reasonable relationship" to the less than \$50,000 required for operation of the Kansas department.

Acknowledging that those engaged in interstate commerce may be taxed for a

## WANT ADS

### WANTED—FIRE SPECIAL AGENT

Ohio Production Work—Stock Company—Excellent opportunity for man under 35. Give experience in replying. Address E-97, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### COMPANY WANTED

Old established General Agency operating in Ohio and Michigan requires the facilities and additional outlets of a strong fire and automobile insurance company for its fast growing field force. Address in confidence F-2, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### WANTED

A competent general insurance analyst and auditor. Field work for a long established Service Organization. Permanent place. Attractive and increasing remuneration. Submit experience, education and credentials in confidence. Address E-98, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### FOR SALE

General writing insurance agency in Central Illinois. Owner retiring. Address F-5, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### THE LONDON & LANCASHIRE INSURANCE COMPANY, LTD.

### ORIENT INSURANCE COMPANY

### LAW UNION & ROCK INSURANCE COMPANY, LTD.

### SAFEGUARD INSURANCE COMPANY

### ENGLISH AMERICAN UNDERWRITERS AGENCY

### STANDARD MARINE INSURANCE COMPANY, LTD. (Fire Dept.)

### LONDON & LANCASHIRE INDEMNITY COMPANY OF AMERICA

Eastern Department  
20 Trinity St.  
Hartford, Connecticut

Pacific Department  
332 Pine St.  
San Francisco, Cal.

Western Department  
223 W. Jackson Blvd.  
Chicago, Illinois

For Over Fifty Years Good Friends of Local Agents

### THE CHARTER OAK FIRE INSURANCE COMPANY

Hartford, Connecticut

One of The Travelers Companies

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just share of the state tax burden, it is argued a state "may not lay a tax measured by the amount of interstate commerce, nor tax interstate commerce, nor deny to one engaged exclusively in interstate commerce the privilege of engaging in such commerce therein by enacting obviously hostile or practically discriminatory legislation."

If one is engaged in both intrastate and interstate commerce, the court is told, only intrastate business can be taxed and the tax must be segregated so as not to levy a burden upon interstate business, and the amount of tax on local business can not unreasonably exceed the cost of service.

Discrimination against interstate commerce is declared repugnant to the Constitution; so is the Kansas law, which imposes direct and unfair burdens on interstate commerce, thereby violating the commerce clause. The Kansas court erroneously interpreted public law 15, it is asserted, and in such a way as if the construction be correct, then that law is unconstitutional.

The Kansas retaliatory taxing law is declared repugnant to the Constitution. Under it, American Indemnity says that state demands it pay 4.05% of premiums, thus doubling the 2% tax on other foreign companies. Oklahoma companies pay 4% in Kansas, the court is told, South Carolina companies 3%, California companies 2½%.

The retaliatory law disclosed "an unlawful and calculated purpose," according to the petition, and since the S.E.U.A. decision Texas, New Mexico, California, Oklahoma and other states have repealed their retaliatory taxing laws.

## Fight Against D. C. Rate Cut Order

(CONTINUED FROM PAGE 3)

April 1, which the companies are fighting.

They point out that Jordan did not follow the rating act which authorizes rate adjustments only "after investigation of the experience showing premiums and losses for a period of not less than five years next preceding such investigation, that the rates for any one or more classes of risks are excessive, inadequate, or unreasonable," and that he did not "give consideration to all factors reasonably attributable to the risks, to the conflagration or catastrophe hazard, both within and without the District of Columbia, and to a reasonable profit," as required by the act.

### Commingle of Premiums

Jordan did not use the actual experience, "but substituted therefor arbitrary and incorrect figures," it is stated. For example, it is claimed that he commingled premiums earned in fire, windstorm and explosion insurance with premiums earned in ocean marine, transportation, motor vehicle and other classes over which he had no jurisdiction under the act.

By use of this incorrect method, the statement declares, Jordan arrived at an earned premium income in the classes over which he had jurisdiction far in excess of the true income. The amount of this excess is at least \$370,000.

The complaint asks the court to subpoena Jordan permanently to enjoin him and the commission from enforcing the order and for such other relief as the court may deem just and proper.

### Kaplan and Cromelin Act

The suit names Jordan and the D.C. Rating Bureau as defendants. It was filed by Attorneys Abraham Kaplan, New York, and Paul Cromelin, Washington.

Under the law and practice here defendants have a limited time to file answer to the proceedings. Until such filing occurs it is not known what the procedure will be. If the superintendent denies or disputes the companies' claims, it is expected there will be a hearing before a decision is reached on whether to

grant an injunction. Walter Bastian is attorney for the bureau.

Jordan has admitted that it is impracticable to determine the exact amount of earned premium here for separate classes involved, instead of commingling them, so if the court sustains the companies' position that such data should be separated, it would appear the superintendent's effort to regulate fire rates would have to go back and begin at "scratch." Jordan asserts the companies initiated the commingling of data of which they now complain.

He claims the right under the law to limit the expense ratio, and that rates cannot be reasonable if based upon unreasonable expenses. The companies have consistently demanded that he take the average expense figure, instead of his 43½%.

### SOME ARE NOT SUING

WASHINGTON—Defendants named in the injunction suit aimed at knocking out the rate reductions here are preparing to file answer within the 30-day limit allowed by the rules.

Attention is drawn in official circles to the fact that some 75 companies, approximately, affected by the order did not join in the suit. They include North America group, Fire Association group, a number of mutuals and reciprocals. All D. C. domestic companies are among the plaintiffs, as are Atlantic Mutual and four members out of 30 or 35 American Mutual Alliance companies licensed in the district.

Charles Holden, Washington, North America representative, said he was not advised about the course of his group and had no comment. It was represented at hearings before the superintendent by Charles Butler. Fire Association also had separate representation at the hearings.

Official circles report North America, as a non-participant in the suit, is satisfied with the rate reductions ordered and is preparing to put them into effect.

### Correct Unfortunate Error in John Stafford Listing

John F. Stafford of Babson Park, Fla., retired western manager of Sun, is much embarrassed by the fact that in the most recent grand nest bulletin of the Blue Goose, in the listing of past most loyal grand ganders, he is described as "deceased." Mr. Stafford opines that the mistake occurred because Mrs. Stafford died Oct. 10, 1945, and the records somehow got mixed up.

Mr. Stafford is very anxious that the correct intelligence concerning him be disseminated throughout Blue Goose-dom. He was most loyal grand gander in 1924.

Mr. and Mrs. Stafford had been married 55 years and Mr. Stafford feels her loss keenly.

### Stephenson Risk Club Speaker

E. L. Stephenson, manager Associated Aviation, will discuss aviation insurance at the March 5 meeting of the Chicago Risk Club.

### S. F. Manager for A.I.U.

Tord M. Ringdahl, discharged as a major after four years with the troop carrier command, has been appointed fire manager of American International Underwriters at San Francisco.

Mr. Ringdahl was a glider pilot and took part in numerous European campaigns.

Mr. Ringdahl has been connected with A.I.U. group for 16 year, and just prior to entering the army was special agent for Latin America at Havana, Cuba.

## Rating Bureau Is Perfected; Ogden Chairman

The Maryland Rating Bureau has been organized, the constitution and by-laws have been approved by Commissioner Ensor. Formation of the bureau is in accordance with the law passed by the last legislature.

Harry F. Ogden, president of Fidelity & Guaranty Fire, is chairman of the governing committee and Harry W. Miller, Commercial Union, vice-chairman. Members of the governing committee are Commercial Union, Continental, F. & G. Fire, Firemen's, North

America, L. & L. & G., National Union, North British, Phoenix of Hartford, U. S. Fire and Home.

Previously Association of Fire Underwriters has acted as the rating bureau for Baltimore and vicinity and the Middle Department Rating Bureau in Philadelphia for the rest of the state. When the Maryland rating bureau begins operation it will supervise the entire state.

Carl W. Wheelock, manager of B. A. F. U., will manage the new bureau. While membership is composed of stock fire carriers, provision is made for other types to become subscribers to the bureau.

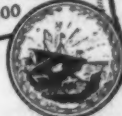


WHEN the first settlers came to America, they could not afford to import sugar cane, but they soon discovered the sugar maple. The Indians taught them that the end of winter is the season for "tapping the sugar bush," and their crude methods are used even today. Small holes are bored into the trees and a metal or wooden tube driven in. Each morning, the sweet juice is collected and carried to the sugar house where the water is evaporated by boiling. When the sugar begins to crystallize, it is poured into molds to cool.

*Just as its native state, since its beginning, has been offering to the world at large the fruit of its sturdy trees, so the New Hampshire Fire Insurance Company offers sound protection, the fruit of many years of experience.*

**New Hampshire**  
FIRE INSURANCE COMPANY  
Manchester, N.H. Incorporated 1869  
CAPITAL \$3,000,000

**Granite State**  
FIRE INSURANCE COMPANY  
Portsmouth, N.H. Incorporated 1885  
CAPITAL \$1,000,000



1794

152ND ANNIVERSARY

1946

**THE INSURANCE COMPANY**  
**STATE OF PENNSYLVANIA**

308 WALNUT STREET, PHILADELPHIA 6, PA.

## EDITORIAL COMMENT

### Insurance Men as Own Pleadors

Our attention was attracted by a statement, seemingly betraying impatience, made by Superintendent Jordan of the District of Columbia in a memorandum accompanying his most recent rate reduction order, to the effect that no insurance man had appeared as a witness in the hearings on his original order.

Without in any way intending to criticize the strategy of the industry in the District of Columbia situation, there is, we think, significance in Mr. Jordan's remark. It is a mistake for insurance men to leave entirely to lawyers and others at least once removed from the actual insurance operation dealings with governmental bodies. Granted that lawyers have the facility and poise to handle these encounters, they cannot bring to bear the profound convictions, the earnestness and sincerity that the client who is aggrieved or has a cause to further, can bring.

A lawyer is always fair game for government people and, no matter how spirited, the set-to is in the realm of a battle of wits, but the rules change when the party at interest appears. We were very much impressed recently in reading the report of the hearings at Washington on the fight on the part of automobile dealers against the reduction in the amount of dealer discount as ordered by the OPA. Apparently there were no lawyers around. The dealers themselves, the officials of the dealers' organization, did all the talking and the Congressmen literally fell all over each other in trying to outdo one another in expressing solicitude for the automobile dealer.

We don't mean to suggest that had the insurance companies in the District of Columbia rate case kept the lawyers

concealed and had brought forth actual insurance practitioners to do all the talking, Mr. Jordan would have done an about face, admitted the error of his ways and granted an increase in fire insurance rates. We simply mean to convey the idea that there are times when insurance men are the ones that can most effectively plead their own cause, they are the ones who can win sympathy for themselves and for the business by a straightforward presentation of their material which carries conviction because it is in the nature of a spontaneous appeal from a worker in the field.

Too often we look to do by indirection what can more simply be accomplished by a direct approach. Having a good case and one we ourselves are the best equipped to argue, we go out of our way to get someone with a big name or supposed influence to say it for us, and in so doing we may only serve to create suspicion that our case is not firmly bottomed.

The fact that Mr. Jordan made that reference to the absence of witnesses from the actual ranks of insurance has significance in that it betrays what we conceive to be a natural reaction of a person in a public place. Perhaps insurance men may shy away from taking the stand and making appearances at hearings, etc., on the theory that they will be exposing themselves to savage functionaries who will proceed to put them on the hook. We don't mean to say that an insurance man will always have a pleasant time on these occasions but we do think that more often than not, he will be spared the hook more often than the lawyer, and that he doesn't realize his own strength.

### Warning to Producers

The commingling of company and personal funds by brokers and agents is a dangerous practice. Aside from the fact that it signifies the producer is not conducting his affairs in a businesslike manner, it cannot help but give rise to the suspicion of dishonesty when the producer gets caught short, even though in 99 cases out of 100 it is the result of carelessness and not of deliberate intent to make use of money that does not belong to him.

Particularly in a time of transition and change when business is good but help is scarce it is easy to drop into the bad habit of throwing all of the income into one pot and trusting to the natural flow

of premiums to take care of the situation. This makes "his" bank account look very good to the producer and he may well be misled into tapping it for all that he needs and perhaps some things that he does not need, until, at some point in the future when business falls off or he has inadvertently used up too much of the account, he finds that he cannot meet his company balances.

For the next two or three years it will be difficult to proceed with any assurance that the clients on whom he depends for his livelihood will all continue to make money and stay on his books. There may develop a short "recession" or period of adjustment. The producer

who does not know exactly where he is with respect to his own and his company's accounts may well find himself in a very uncomfortable situation.

The public itself is generally protected, either by law or by judicial decision. In New York section 125 of the insurance law specifically prohibits the commingling of personal and company accounts. It places on agents and brokers a fiduciary responsibility to clients. There the broker is a representative of the assured in the placing of business, but he is a representative of the company in the collection of premiums. Consequently the company is the one left holding the bag when, after 90 days, it sends out a cancellation notice for non-payment of premiums and learns from the insured that the premium was paid. This law simply restated a principle already upheld in the courts. Even so, the New York department receives com-

plaints too frequently from members of the public as well as from the companies, that a broker has commingled personal and company funds and finds himself unable to pay his companies' premiums at the end of 90 days.

Even though the public is protected, not only in New York but in most other states, by statute or judicial action, it hardly creates favorable public reaction when an insured who has already paid his premium is notified by the company that his policy is cancelled for non-payment. Yet such complaints continue to be made, and in New York because of the number of complaints the department is planning to call the attention of every agent and broker to section 125.

Producers are held to a high degree of responsibility in financial matters by the nature of their profession and by law. It is a good time to issue a warning note.

## PERSONAL SIDE OF THE BUSINESS

**Commissioner Bowles** of Virginia will get a boost in salary if the appropriation bill passed by the Virginia house last week is approved in the senate. It calls for a hike from \$6,300 to \$7,500 a year. Members of the corporation commission, which supervises his department, would have their salary raised from \$8,000 to \$9,000.

**Maurice Kane**, superintendent of automobile business in the Pacific department of North British, was the guest of honor at a luncheon given by Samuel T. Shotwell, manager, in recognition of 25 years' service. Mr. Shotwell presented him the pen and certificate of membership in the Norbrit Guards.

The National Board gave a luncheon in honor of **George W. Booth**, chief engineer, on Mr. Booth's 75th birthday. Forty attended. Mr. Booth has been with the National Board since 1904 and has been chief engineer since 1910.

**Raymond T. Smith**, vice-president at Chicago for the A. M. Best Co., and Mrs. Pauline Rogers announce that they were married Jan. 24 at Golf, Ill.

The first Mrs. Smith died several years ago. She was a sister of the present Mrs. Smith. In previous years both of the ladies accompanied Mr. Smith to several insurance gatherings in various parts of the country and the present Mrs. Smith has an extensive acquaintance among insurance people.

Lt. (j.g.) **John Ward Seabury** and Miss **Charlene Adrienne Brown** were married Saturday at Highland Park Presbyterian Church. Lt. Seabury is the son of **Charles W. Seabury**, chairman of Marsh & McLennan, and Mrs. Seabury and the bride is the daughter of Comm. and Mrs. **Grant H. Brown** of Highland Park, Ill.

**Edward F. Miller** has begun his 61st year with the Weed, Parker & Co. agency in St. Paul. He started as an errand boy in the agency, then Weed & Lawrence, when he was 12 years old.

**Will H. Harrison**, Iowa state agent of National Fire and his hobby of collecting engraved pictures of George Washington, were featured in an article

in the Des Moines "Tribune." Mr. Harrison was photographed and interviewed on his collection, which he has made a hobby for 42 years.

Hoosier friends of **A. H. Wishard** honored him at a dinner in Indianapolis Monday before he left to go to New York as assistant secretary of the U. S. branch of Northern Assurance. In the absence of Commissioner Pearson, who was ill, **George R. Pritchett**, American, was toastmaster. E. C. Harding, with whom Mr. Wishard has made his office while in Indianapolis, outlined his progress in insurance business from his first connection in 1919 with the farm department of Great American at Des Moines. In 1923 Mr. Wishard went to Chicago with America Fore, in 1927 he became Cook county special agent; in 1938 he went with Northern Assurance as metropolitan special agent in Chicago, and in 1921 he was sent to Indiana as state agent.

His services to the Indiana Fire Underwriters Association were commented upon by J. A. Bawden, Springfield, now president. Don G. Kaga, Secured F&M, told of Wishard's work for Indiana Blue Goose, of which Mr. Kaga is most loyal gander. Mr. Wishard was membership chairman last year and entertainment chairman this year. Agents of Northern who spoke were A. J. Hoffman, Ft. Wayne; E. J. Holtman, Evansville, and D. V. Fitzpatrick, Indianapolis. W. J. Henshaw, insurance department manager Indiana Trust Co., Indianapolis; R. V. Cherry, manager Western Adjustment; G. E. Shank, Jr., Royal Exchange. Mr. Wishard's successor as state agent in Indiana, and L. R. Taylor spoke briefly. Mr. Wishard was presented a sport jacket and shirt and fountain pen desk set on behalf of his friends.

**E. R. Hurd**, resident secretary at Chicago of Home, who underwent an operation at Evanston hospital, is making an excellent recovery.

**Fred A. Spear**, president and **Charles Spear**, vice-president of Spear & Co., general agents of California, have returned from an eastern visit. They at-

## THE NATIONAL UNDERWRITER

PUBLISHED EVERY THURSDAY



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### BRANCH OFFICES IN KEY CITIES

**ATLANTA 2, GA.**—560 Trust Co. of Ga. Bldg., Tel. Walnut 5867. Ernest E. Hess, Southeastern Manager.

**BOSTON 16, MASS.**—80 Boylston St.—Room 1227, Tel. Hubbard 8696. William A. Scanlon, Vice-President.

**CHICAGO 4, ILL.**—175 W. Jackson Blvd., Tel. Wabash 2704. O. E. Schwartz, Associate Manager. L. N. Yellowlees, Advertising Manager.

**CINCINNATI 2, OHIO**—420 E. Fourth St.

Tel. Parkway 2140. Abner Thorp, Jr., Vice-President. George C. Roeding, Associate Manager. George E. Wohlgemuth, News Editor.

**DALLAS 1, TEXAS**—802 Wilson Bldg., Tel. Central 5833. Fred B. Humphrey, Southwestern Manager.

**DES MOINES 12, IOWA**—3333 Grand Ave., Tel. 7-4677. R. J. Chapman, Resident Manager.

**DETROIT 26, MICH.**—1015 Transportation Bldg., Tel. Randolph 3994. A. J. Edwards,

Resident Manager.

**MINNEAPOLIS 2, MINN.**—503 Northwestern Bank Bldg., Tel. Bridgeport 7835. R. W. Landstrom, Resident Manager.

**KANSAS CITY 6, MO.**—605 Columbia Bank Bldg., Tel. Victor 9157. William J. Gessing, Resident Manager.

**NEW YORK 7, N. Y.**—99 John St., Room 1103, Tel. Beekman 3-3958. Editorial Dept.—R. B. Mitchell, Eastern Editor; Kenneth O. Force,

Associate Editor. Business Dept.—Ralph E. Richman, Vice-Pres.; J. T. Curtin and W. J. Smyth, Resident Managers.

**PHILADELPHIA 9, PA.**—123 S. Broad Street, Room 1127, Tel. Pennypacker 3706. R. E. Fredrikson, Resident Manager.

**SAN FRANCISCO 4, CAL.**—507-8-9 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Pacific Coast Manager. Guy C. Macdonald, Pacific Coast Editor.

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tended the annual meeting of Ohio Farmers at LeRoy, Spear & Co. being California general agents. Then they went on to New York City and to Buffalo since they are general agents for Buffalo Ins. Co. This is an annual expedition of Fred Spear, but this is the first time that Charles Spear has made the trip with his father.

## DEATHS

**William Yankee, 80**, a member of the Noel & Yankee agency, Independence, Mo., for 20 years before his retirement in 1930, died at his home. He was the father of H. W. Yankee, Kansas state agent of Agricultural.

**Myron R. Hilb**, of W. A. Alexander & Co., Chicago, died Monday at Elmhurst Hospital as a result of pneumonia, after an illness of four days. Mr. Hilb had started with Alexander & Co. as an office boy 25 years ago. He was office manager and was made an officer of the agency a year ago and had just been advanced from assistant vice-president to assistant to the president. He had served as president of the Chicago Office Management Association and was a director of the National Office Management Association. During the war he was a member of the ration board for the loop district.

**James J. Rossiter, 58**, president of Hopper, Polk & Purnell agency of Baltimore, died suddenly at his home. He had been with the agency 42 years.

**Henry A. Bidwell, 60**, Northampton, Mass., local agent and president of the Insurance Federation of Massachusetts in 1941, died from a heart attack. He had been in the insurance business 20 years and formerly was special agent of Globe Indemnity.

**W. E. Woods**, veteran local agent at Ellsworth, Kan., died following an operation at a hospital there. Several field men attended the funeral. Mr. Woods had been a regular attendant at the conventions of the Kansas Association of Insurance Agents for many years.

**Duane W. Draper, 52**, head of the J. D. & D. W. Draper agency, Saginaw, Mich., died in Ford hospital, Detroit, after three months' illness. He was associated in the agency with his sons, William D., and Jesse O. The firm was founded by Mr. Draper's father, Jesse D.

**John K. Sharkey**, former New York special agent for Northwestern National, died at Syracuse. Mr. Sharkey had retired five years ago after 35 years with the company. Interment was at Wilkes Barre.

## S-Day Plans in N. Y. Are Kept in Handy Drawers

NEW YORK—Preparations made by insurance offices to meet the threatened subway strike have been shelved for the moment after the strike was called off late Tuesday. However, the plans are being kept in a handy drawer in case the danger again arises.

The insurance companies and offices planned to keep open if possible. Metropolitan Life estimated that approximately half of its personnel might be able to get to work. New York Life and other companies intended to use whatever employees could make it to maintain a skeleton force and keep the machinery running.

The Home fleet had completed arrangements for employees with cars to transport other employees in their neighborhood to the office. Biggest problem anticipated was parking since the city would not relax parking restrictions because of the fear of traffic snarls and bottlenecks such as plagued Philadelphia during the recent transportation strike there.

New by-laws were adopted and the constitution was reviewed at the last meeting of **Anthracite Field Club**, Wilkes-Barre, Pa.

## Wetzel Retires; Was 30 Years with Northern of N. Y.

NEW YORK—Richard W. Wetzel, vice-president and secretary of Northern of New York, is retiring after 45 years in the insurance business. Mr. Wetzel, who was born in 1884 at Louisville, went with a local agency there in 1900 as a stenographer. However, he was attracted by the company end of the business, as the special agents visiting the office always looked prosperous.



R. W. Wetzel

In 1910 Mr. Wetzel went with a company office and general agency in Chicago, in the underwriting department. However, he realized that further advancement would require a much greater knowledge of the insurance business and accordingly he went with the National Inspection Company in Chicago. In 1915 he was appointed a special agent in Ohio for the Northern of New York. The company in 1927 made him manager of Pacific Coast territory and gave him the job of establishing its Pacific Coast departmental office.

In 1934 Mr. Wetzel was transferred to the home office at New York as assistant secretary, later becoming secretary and then vice-president as well, supervising all business in the central west and far western territories.

Mr. Wetzel has no definite plans for the future, but will probably investigate south and southwest locations.

## C.P.C.U. Directors Change Convention, Unify Courses

Date for the national C.P.C.U. convention has been changed from Nov. 4 to Oct. 21, by the board of directors who met in Chicago last week. The convention will be held in the LaSalle hotel, Chicago, with a luncheon in the grand ballroom and speakers to be announced later.

Primary concern of the directors was unification of C.P.C.U. educational work. It was decided to try to make arrangements in all larger cities with accredited institutions for the handling of C.P.C.U. courses and to foster study groups in smaller communities. Complete programs have been arranged at the University of Newark and at U.C.L.A. while tentative arrangements have been made with Illinois Institute of Technology at Chicago for taking over the program.

Attending the session were Abraham J. Wohlbach, president, Newark; Robert F. Sommer, vice-president, Planet, Detroit; Dr. Harry J. Loman, dean of the A.I.P.L.U.; Robert M. Babbitt, Jr., Chicago; E. Adrian Teaf, Philadelphia; Walter W. Bennett, Los Angeles; Manuel H. Donchin, Chicago, and Edward H. Kingsbury, Royal-Liverpool group, New York.

The eastern chapter of the Society of Chartered Property & Casualty Underwriters has reelected as president, E. Adrian Teaf, Philadelphia broker; vice-president, Edward H. Kingsbury, Royal-Liverpool, New York, and Secretary F. H. Chegwidan, Camden Fire. The chapter set up its program of educational assistance for those in the east who are candidates for the C.P.C.U. designation.

## Cal. Company Being Organized

LOS ANGELES — Commissioner Garrison has approved the name of Western Commercial Insurance Co. for a new carrier to be organized by interests here. Fred Aberle, with offices in the Rowan building, is counsel.

## N. J. Field Club Prepares for Active Year

NEWARK—H. W. Kohler, America Fore, president of the New Jersey Field Club, announced committee appointments at the February meeting. Calvin Baile, London & Lancashire, and Walter Sheldon, Niagara, head two teams which comprise the membership and attendance committee, and which will work on a contest basis; Vice-president H. W. Wittich, Providence Washington, is chairman of the program committee; Gage Lewis, Springfield F. & M., welfare; Fred McGilvray, Hartford, fire prevention and special hazards; George Martin, New York Underwriters, agents association; education, Mr. Wittich, and public relations, Mr. Kohler. There will be more activity on public relations this year, Mr. Kohler said.

An activity committee headed by C. A. Fortman, Fireman's Fund, will form a team of experts available for appearances at agents' gatherings and business clubs. The speakers committee, headed by Palmer Weis, American, N. J., will develop several speakers and prepare outlines of talks—one on insurable values, for example. The agency solvency committee is headed by Franklyn Thurnall, Atlas.

Starting March 12, the field men will participate actively in the course to prepare prospective agents, brokers and solicitors to pass the state examinations, which is being sponsored by the New Jersey Association of Insurance Agents. Also participating are members of the Casualty Underwriters Association and the Surety Underwriters Association of Newark. The course will be held at Newark, two night a week. It will run six weeks.

Two new members were elected, Charles F. Cliggett, Royal-Liverpool, and Fred Flechtner, Northern of England.

Whitney H. Roddy, Bloomfield, N. J., agent, described advertising and public relations methods used by his firm.

## Phoenix-London Names Three Men in West

LOS ANGELES—Raymond Needham, assistant manager of the Glens Falls group here, has resigned and been appointed assistant manager by the Phoenix-London group in Los Angeles office. He is one of the best known insurance men here. He began with National of Hartford, later spent three years in a local agency at Ventura, and then was associated with Commercial Casualty until its merger into the Loyalty group. He joined the Glens Falls group as a special agent.

Lewis D. Maupin has been named special agent by the Phoenix-London group and E. J. Connelly assistant claims manager.

## Creosote Loss in Carbondale, Ill.

The Koppers Railway Tie Processing plant at Carbondale, Ill., suffered a \$100,000 structural loss as a result of sparks from an employee's welding torch while working on a tank.

This is the most serious loss in some time in a creosote plant, but did not start from a hazard in the business and was only partial, involving the roof of the cylinder house and damage to the pump house, including three pumps which collapsed as a result of extreme heat. Some creosote burned, but it was only a partial loss. Western Adjustment is handling this loss and Wagner & Glidden the U. & O., which is as yet undetermined.

## First Hail Conference at Wichita

The first in a series of five hail adjusters conferences of Western Underwriters Association will be held April 3-4 at the Broadview hotel, Wichita.

Other conferences are slated for later in April and May at Omaha, Sioux Falls, S. D., Fargo, N. D., and Great

### RHODE ISLAND

A Small State with an  
Impressive Background

## EARLY RHODE ISLAND TURNPIKES

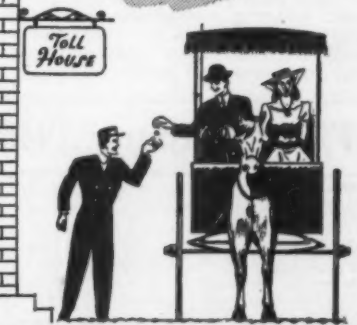
THE first turnpike on record was the Providence and Norwich, in existence before 1798. The State's varied industries took on a rapid growth because of its excellent system of turnpikes, and the cotton industry especially, used great influence in getting such roads built. Toll rates varied greatly and afford interesting reading today. On one toll list we find, "12½¢ a team not exceeding 4 cattle, 15¢ a sleigh with more than 1 horse, swine in droves 10¢ for every 15, mail stage 6¼¢, a person and horse 6¼¢, a chaise chair or sulky 2½¢."

While many organizations are allowed to become obsolete, the public will not easily give up a needed service—which explains the continuation of such well-tested insurance companies as the Rhode Island Insurance Company.

### RHODE ISLAND Insurance company

PROVIDENCE • RHODE ISLAND  
Progressive in Outlook  
Conservative in Management

FIRE • AUTOMOBILE • INLAND  
MARINE • OCEAN MARINE



## THE OLDEST INSURANCE COMPANY IN THE WORLD



55 FIFTH AVE., NEW YORK

# POINTERS FOR LOCAL AGENTS

## Suggestions for Methods to Combat Under-Insurance

Of utmost importance to agents at this time is cooperation and wholehearted effort in solving the under-insurance problem.

Advertising campaigns on this question have been carried on by many companies and the National Board has started a five months' national effort. All advertising, however, recommends use of facilities offered by the local agent and he must be on the job in order to make the most of the opportunity.

In other words, the agent must work out a scheme of his own, making use of available material and adapting it to his local situation. The two points that he must drive across are: The rising fire loss, which last year went over \$450 million and showed no sign of tapering off, and, high replacement cost with resulting under-insurance on the great majority of homes.

These problems are the theme of most fire companies' advertising today and the agent will, therefore, find that half the job is being done for him.

Business is good now and many brokers and agents have maintained they haven't time to devote properly to increasing business already on the books. However, the good reputation of insurance rests with the agent today, for a number of losses in his territory where under-insurance is concerned could mean only that the agent would be blamed.

One system suggested for a personal campaign by a broker or local agent is as follows:

First, he can make use of the National Board materials and make a good deal of use of it. That includes posters for wall display, newspaper mats, and reprints for use in mail. The board also supplies speech material and the agent could study his own territory and adapt it to his use. The agent should take every opportunity to appear before the public and cite examples of under-insurance that his listeners might know of.

Then he can make use of the many mailing pamphlets supplied by his company and give a short reminder to each of his clients. In this way he can reach everyone immediately and follow it up with more personal letters.

One suggestion is for the agent to make an analysis of his policyholders, knowing the amount of increase of replacement cost in his community, and point out to each one how much it would cost now to replace his home and furnishings over the amount he is insured for.

This would take some time and considerable work, but if each client were to receive a letter, describing his personal insurance situation under inflated values, it would tie together all the advertising he had seen and the talk of homes selling around him for more than original cost, and could be doubly effective if it were pointed out to him that fire incidence is higher than ever.

These letters could not be sent out in large batches, as they should be followed up by a call from the agent within a week. If the call were made on a personal basis, the agent having at his finger tips the added amount of insurance needed, he would have a good chance of his sale. Agents making personal calls report 75% success.

On the personal call the agent could take with him a card stating that he had recommended an increase in insurance and should the client refuse to increase his policy, the agent could have him sign, showing that he had been warned. If such a card is used in an interview it has a much greater effect than one coming in the mail, which often reminds the insured of magazine subscriptions or some sort of "deal."

The agent in a small community could make contact with his local newspaper and with facts supplied by the National Board and by his company, could write a signed article on the fire problem and rising replacement costs. If not in the form of an advertisement it would have the added prestige of authority on the question.

Another method of advertising would be to put filler ads in the local papers in a column instead of the advertising section.

For his larger accounts it would pay the agent to have an appraisal made by an expert and with figures point out to the insured the amount of new insurance required. This would also give the agent

a good idea of his local increases in replacement cost, or with the insured's permission, he could use some of those figures as an example for other clients.

Increased insurance means increased commissions, but the agent should point out that if a home was worth insuring to value formerly, it is doubly so now when housing is so acute. He is actually doing his insured a favor and should not hesitate to say so.

Nearly all local agents are working on the under-insurance problem. Experience of those who have worked on the question indicates that renewal notices offer the best time to remind the assured of the need for increased insurance. One successful local agent has sent out a personal letter, in his own handwriting, with each renewal notice, saying that so much insurance is carried now and that he recommends an increase, based on local conditions in his community. The agent has had an 80% favorable response on these notes alone.

Another note that should be sent with renewals along the same lines would be one stating: "You carry so much insurance, now; would you sell your house for the amount of your policy? If not, you should increase your insurance by so much."

### On-the-Job Training Is Big Help in Recruiting

Probably less than 20% of local agents see their assured personally today. Many argue that they are too busy to leave the office for lengthy personal calls. Others say that they are understaffed and are waiting for their men to return from service.

It is often overlooked that now is the time to increase an agency force with the cream of returning veterans. Not only are many of these men anxious to return to work and willing to learn, but they can be employed with the added inducement of benefits from training on-the-job.

In many states this opportunity has been ignored and good prospective salesmen are turning elsewhere. Other states, such as Michigan, have made thorough investigations into the benefits and have worked out an efficient system for agencies.

Many local agents in the past have maintained that they cannot do all of their work because of insufficient help and further state that starting pay in

insurance is too low. Under the G.I. bill the government will add from \$75 to \$90 to the starting pay of any veteran in an approved agency having a training program. This offers the greatest opportunity agents have ever had to recruit men and advantage should be taken of it before the best manpower disappears.

### Veterans Prove a Promising Field

There is still plenty of new business to be written and one local agent in the middle west has devised a system whereby he is getting in on the ground floor.

This man uses his local newspaper to obtain a list of all returning veterans in his community and writes each one a personal letter, informing them that he is willing to give them advice on any insurance problems with absolutely no obligation.

It has produced amazingly good results in new business, and although it is small, the agent has established himself with the veterans and as their possessions increase he is in line to get the insurance.

Most returning veterans do not own homes, but many have automobiles, furniture and other insurable items. Their business now is not a great factor commission-wise, but this agent has got a firm footing with the coming generation.

The letter is based on a personal advice theme and has an appeal to many who do not like to go through government agencies to find answers to their questions. It gets results.

### Give Tips on Sale of Air Covers

At the aviation committee meeting held by the Michigan Association of Insurance Agents at Grand Rapids recently, several tips on the sale of air accident insurance were brought out.

It was noted that large life insurance buyers make ideal prospects because most life policies have an aviation exclusion clause. Any local agent can easily determine those in his territory who are big life buyers and they have been found ready prospects.

When it is explained to them that their life policy excludes aviation accidents on unscheduled lines or outside continental U. S., it is a simple matter to attach the low premium accident policy as a supplement to their life cover.

Another means of obtaining this business is to become acquainted with fixed base operators and through them learn about new pilots, plane buyers and those going on charter trips.

Some buyers of private planes have been unwilling, because of cost, to take out other than accident insurance on themselves, leaving the field open for the agent on the remainder of the cover. There are good possibilities for the agent to work up a scheme similar to the bank-agent auto plan. With the keen interest in aviation now, there will be a greater demand for planes and many of these can be financed through the help of the agent.

Another suggestion was subscribing to an aviation publication in order to learn the flyer's language. It was stated that it would not be necessary to read the entire magazine, merely to know what terms are prevalent, so that the agent approaching a prospect can speak to him in his own language. This would create confidence in the agent's knowledge.

## Fire Company 1945 Statement Figures in Tabloid

	Assets	Inc. in Assets	Reins. Res.	Inc. in Reins. Res.	Capital or Stat. Dep.	Surplus	Inc. in Surplus	Net Prems.	Losses Paid	Loss Ratio
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Agricultural .....	21,285,158	2,151,740	8,127,320	779,496	3,000,000	5,774,218	735,757	9,015,451	4,478,305	49.6
American Fire & Cas. ....	2,117,998	535,771	.....	.....	250,000	311,269	43,651	1,263,403	428,897	33.9
American Fire of D. C. ....	752,292	3,694	113,682	2,481	200,000	423,042	2,342	65,902	20,473	31
American General .....	7,344,724	1,104,662	1,959,942	37,474	1,250,000	2,142,417	891,231	3,066,267	1,811,029	54.1
Camden Fire .....	18,583,702	1,978,683	8,093,313	953,664	2,000,000	5,067,397	438,501	9,200,613	4,319,771	46.9
Central .....	6,094,948	1,042,010	1,639,045	118,213	1,000,000	2,943,225	835,573	1,643,704	779,079	47.4
Central Union .....	2,021,180	72,815	255,550	25,898	500,000	1,148,853	16,734	168,928	56,240	33.3
Church Properties Fire .....	3,859,926	128,125	1,039,319	85,220	1,000,000	1,604,972	45,089	857,715	351,867	40.9
Comm. Standard F. & M. ....	857,890	20,995	23,727	6,928	.....	484,277	26,288	49,390	42,368	86.7
Export .....	581,207	83,215	249,862	131,589	200,000	106,391	99,989	280,659	81,248	29.9
Farmers Fire of Pa. ....	1,256,119	45,386	45,728	16,467	500,000	507,231	42,301	177,023	39,270	22.1
Merchants' Fire of Colo. ....	3,851,959	132,393	1,228,338	95,123	.....	2,360,712	12,238	1,062,040	547,144	51.5
Iowa Fire .....	394,567	19,285	2,841	673	100,000	277,728	17,445	3,699	1,490	40
Merchants' Fire of Colo. ....	3,043,353	18,825	1,506,766	6,683	400,000	824,678	13,181	1,224,003	674,210	55.1
National Security .....	3,815,160	313,989	641,512	55,013	1,000,000	1,658,707	211,482	861,098	390,365	46.6
N. Y. Underwriters .....	12,184,595	815,047	2,370,912	366,792	2,000,000	6,326,271	386,963	2,545,791	1,198,110	47
North America .....	8,590,975	408,609	1,940,384	365,039	500,000	785,477	137,238	2,042,355	841,577	41.2
New Zealand .....	198,590,257	42,168,182	33,244,605	1,362,087	14,938,610	85,061,390	15,061,390	42,736,348	19,488,993	46.1
Northwestern F. & M. ....	3,665,667	259,724	869,139	135,554	1,000,000	1,199,663	42,380	968,210	441,571	45.6
Northwestern National .....	22,335,032	2,327,697	7,482,536	413,181	2,000,000	9,938,261	1,632,441	5,829,728	2,422,247	41.5
Philadelphia F. & M. ....	8,621,748	1,158,462	1,973,925	63,355	1,000,000	4,542,789	957,338	3,229,352	1,075,510	46.1
Pioneer Fire .....	406,279	52,894	.....	.....	200,000	124,328	19,676	45,822	6,608	14.4
Premier .....	4,075,040	523,333	.....	.....	200,000	1,515,208	641	947,016	973,323	103
Quaker City F. & M. ....	2,311,489	145,258	30	19	500,000	889,826	119,587	841,285	433,718	51.5
Reliable Fire .....	1,790,207	86,490	614,432	43,310	500,000	558,751	29,896	514,133	266,388	51.8
Rocky Mountain Fire .....	815,263	31,979	184,331	7,610	275,000	309,396	20,031	155,367	66,390	42.7
Secured F. & M. ....	725,240	117,004	.....	.....	250,000	322,888	36,450	146,098	47,828	32.7
South British .....	1,430,448	70,881	246,043	25,000	200,000	863,844	7,330	258,355	111,444	42.1
State Farm Fire .....	2,512,409	681,646	1,295,408	236,291	300,000	662,835	247,242	2,312,141	822,099	36.6
Twin City Fire .....	2,428,752	137,363	465,361	130,887	500,000	1,225,254	16,084	476,491	244,721	51.3
Utah Home Fire .....	3,648,450	289,909	1,361,807	157,544	600,000	1,079,105	147,692	1,746,781	855,235	48.9



## Residence Theft Premiums Raised \$3 Per Policy

### Paymaster Broad Form Policy Introduced, Other Manual Changes

NEW YORK—The long expected increase in residence and outside theft rates has materialized, in most territories, into a flat increase of \$3 per policy. No change has been made in the coverage itself, despite rumors to this effect, but a \$15 deductible has been authorized as an optional coverage, with a credit of 15% on the rates for the first \$1,000.

A number of other changes have been made in the burglary manual of the National Bureau of Casualty & Surety Underwriters, including introduction of a broad form endorsement for the paymaster robbery policy, which extends this contract to cover destruction, disappearance or wrongful abstraction of money and checks intended for the payroll of the insured.

#### Big Jump in New York

At present, the new residence theft rates are not in force in Louisiana, Texas and the state of Washington. Otherwise, the rate increases and the new rules are applicable as of Feb. 25 and, with the exception of Kansas, may be applied retroactively to policies written not earlier than Jan. 1.

The heaviest increase is in New York City and suburban territory. In the New York counties of Bronx, Kings (Brooklyn), New York (Manhattan) and Queens there has always been an additional charge for outside theft insurance. Elsewhere in the country, \$1,000 outside coverage has been provided at the basic rates, where the policy provides at least \$1,000 residence coverage, and this has been continued. However, in New York, Richmond county (Staten Island) and the suburban counties of Nassau and Westchester now also take a separate premium for outside coverage. The rates for outside coverage in the New York territories are doubled, now being \$15 for the first \$1,000 and \$10 for each additional \$1,000 in Bronx and Kings counties and \$10 and \$7.50 respectively in Manhattan and Queens. In Richmond, Nassau and Westchester counties, the additional charge for outside theft coverage is \$6 for the first \$1,000 and \$4 for each additional \$1,000. The rates for inside coverage in these New York territories are not raised, the burden being borne by the heavy increase in outside rates.

#### New Deductible Clause

The optional deductible may be added to any policy covering at least \$1,000, under any form except specific coverage. The \$15 is deducted from each loss, on or off the premises, but does not apply to articles specifically insured. A standard endorsement for this coverage has been included in the manual.

The tables of discounts applying when bank burglary and robbery, safe burglary, holdup and money and securities, broad form, policies are written as excess over other coverages have been revised. The changes are mostly interpolations of additional breaking points for discounts, but a few discounts have been increased and the maximum underlying insurance or suretyship for which credit is given in each table has been increased from \$1 million to \$2 million,

## Hospital-Medical Cover a "Must," McCormack Says

NASHVILLE—"Private insurance companies must find a safe and successful plan for selling and servicing hospital and medical insurance or abandon the field—a tremendous field—to the benevolent associations and the federal government," Commissioner McCormack, who is president of the National Association of Insurance Commissioners, told the sales congress of the Nashville Association of Life Underwriters.

"Hospital and medical insurance is a billion dollar field," he said, "but many companies are staying out of it, apparently because of expense involved. This type of insurance will not work on a 50-50 basis. It will require about 75% for losses and 25% for expenses, with a few companies already thinking in terms of 85% and 15%. This makes individual solicitation out of the question. Our department considers 50 as the group minimum. Some companies have fixed 30 as their minimum, which is a matter for the company's actuarial department to decide. Few, if any, of the companies have as yet offered a policy on the basis that has the green light from the federal government."

Commissioner McCormack explained the existence of separate laws legalizing hospital and medical insurance, which no state has provided for yet, because of the insistence of the hospital management and of medical men that each have complete control of its own insurance setup and that each group be equally free from public control.

He believes a successful federal approved plan of hospital insurance must be on a basis that will provide for payment in full of the amount charged by each individual hospital. The hospital, and not the insurance company or any other agency, must determine the amount the policy pays. The same is true of any acceptable insurance plan.

"On any other basis, the hospitals consider insured patients in the same class as charity cases, which they prefer to select themselves," he explained. The commissioner also outlined what the Tennessee department has done to encourage the Blue Cross setup in the state.

with the maximum discount increased from 60% to 70%.

The new optional paymaster coverage permits writing this contract on a basis similar to the money and securities policy, broad form, but with coverage restricted to payroll funds (money and checks) of the insured only. Instead of covering holdup alone, the new contract covers destruction, disappearance or wrongful abstraction of payroll funds. Some coverage along these lines had been written for the past year, but this has now been standardized and incorporated in the manual.

Like the paymaster robbery policy, this new broad form coverage may be written to apply both inside and outside of the premises or inside the premises only. For inside and outside coverage, the paymaster robbery rates, plus \$5 per \$1,000, are charged, subject to an annual minimum premium of \$5 in addition to the paymaster robbery minimum premium. For coverage inside the premises only, the same \$5 increase is added to the paymaster robbery rate for coverage with this limitation and the same additional minimum premium also applies.

Either new coverage may be optionally written with an amount of insurance applying inside the premises while a custodian is not on duty, at an additional charge of 50% of the annual safe burglary rate for the extended amount of insurance, subject to an annual min-

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## Commissioner's Miss. Bill Departs from All Industry

JACKSON, MISS.—A casualty rate regulation bill designed and sponsored by Commissioner White has been introduced in the Mississippi legislature. This bears no resemblance to the all industry bill. It provides for the establishment of one local rating bureau for all casualty lines although it is not required that every company belong to the bureau. The prior approval principle is followed in Mr. White's legislation. A hearing is scheduled on the bill this week.

The all industry measure has not made its appearance in Mississippi.

The present disposition is to stand on the existing fire rate regulation setup.

## Fear "Rate War" Reductions May Be Costly for Aviation

Aviation insurance men, now admittedly in the midst of a rate war, are fearful that sound underwriting practices may be abandoned in favor of lowering the cost of insurance to the public. This applies especially to hull coverage, whose experience has been very bad despite the fact that no rate reductions have been made in some time.

Although there have been no published reductions, few companies follow the manual closely in underwriting various types of planes. Often a competitive and so-called "merit system" has been used, but this for the most part takes into consideration the pilot.

It is generally agreed that rating of private planes depends a great deal on the experience of the flyer. This has become increasingly true as the C.A.A. has lowered its standards for pilot licenses to the extent that no knowledge is required of aerial navigation, chart reading, use of flight instruments, weather conditions, weather maps, aircraft characteristics, or structural limitations.

Under these circumstances and with pilot accident pegged at about \$5 per \$1,000, reductions on all coverage are usually made only after the pilot's knowledge and experience have been reviewed.

Most of the newer aircraft are widely advertised as being safe, and several spin proof types are, or shortly will be, on the market. This type of advertising is considered by many insurance men as misleading, as a plane is safe only in the hands of an experienced pilot. It has been pointed out that human nature will take advantage of safety factors and their value becomes negligible.

General rate reductions on a certain type of ship might prove costly, especially if the manufacturer includes that in his advertising. Untrained pilots creating heavy accident experience would cause the rates to go up again, resulting in a poor reaction on the part of the public.

It seems to have been borne out thus far that most private flying accidents occur in the "safer" planes, because inexperienced pilots are prone to take unnecessary chances.

## Seek to Except Unusual Risks from Ky. Rate Law

An amendment has been introduced to the Kentucky rating bill, apparently at the instance of London Lloyds, providing in effect that so-called unusual risks are not subject to rate regulation. Kentucky is one of two states in which London Lloyds are regularly licensed, the other being Illinois.

## Social Security Hearings Start; Presage Changes

### Leaders Seek to Confine Discussion to Capital Points

By H. C. HALLAM

WASHINGTON—Hearings on social security legislation began Monday before the House ways and means committee, with Chairman Arthur Altmeyer of the social security board appearing as first witness.

Indications are that hearings will be quite lengthy. It seems that the main topics will be the possibility of a stabilized payroll tax that will stand for perhaps a decade; the possibilities for extending OASI coverage to include the self-employed, farm and domestic employees and other groups not now covered; the question of increasing retirement benefits and lowering the retirement age for women to age 60.

The committee will have before it the suggestion of its study group headed by Comm. Leonard Calhoun that the 1% OASI tax on employers and employees be raised to 1½%, effective Jan. 1, 1947, and frozen at that figure for 10 years, with other increases to follow at succeeding intervals of 10 years.

#### May Open Flood Gates

For a number of years the ways and means committee has been instrumental in postponing important amendment of the law. It has handled the annual tax-freezing bills. Committeemen realize that in opening hearings on the subject they may be opening the floodgates to a tremendous wave of demands for changes. Difficulty may be experienced in limiting these.

Not the least of the changes demanded concerns credits for veterans under OASI for their period of military service. It is said that the demands of veterans probably have had as much to do with the decision to consider social security law revision as any other cause.

Since 1939, when the last major revision of the law was enacted a total of 294 bills dealing with OASI and unemployment compensation have been introduced in Congress.

Next to veterans' demands for amendment come demands for groups of workers not now covered by the law. Treasury Department officials who had been opposed to including these groups under social security, because of the difficulty of ascertaining income of certain groups and of tax collecting from them and incidental record-keeping, are now reported to have acceded reluctantly to proposals of the social security board related to that problem.

#### Keeping on the Track

The 82-year-old chairman, Rep. Doughton, announced that witnesses are expected to confine their discussions to the subject on which testimony is currently being heard. Mr. Altmeyer read a prepared statement, followed by a series of summaries of recommendations and discussions with respect to old-age and survivors insurance extension of coverage, increase of benefits, costs, financing, etc. He recommended such extension to farm labor, domestic workers, self-employed, employees of non-profit organizations, federal employees

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## Adequate Airports Essential to Aviation Growth

### Small "Airparks" Better for Personal Flyer Than Big Landing Fields

NEW YORK—While insurance as such was not on the program, the close connection between the development of airports throughout the country and the post-war expansion of the market for aviation insurance was obvious to insurance men who attended the airport development clinic here.

Congressman Randolph of West Virginia, the luncheon speaker, drew a parallel between the building of good roads as a factor in the expansion of automotive travel and the development of airports in promoting the use of airplanes, and urged a \$1 billion federal appropriation, with state or local matching of funds. He said building of adequate airports should not be left to some future depression and WPA labor.

#### Rosy Picture of Flying

Mr. Randolph painted a rosy picture of flying, both commercial and private after the war but emphasized that there must be an adequate number of good airports, for people do not want to drive 50 or 60 miles to reach an airport. Assistance from the federal government in building airports is vital and should be undertaken now if adequate future facilities are to be provided.

As to the potential development of private flying, Mr. Randolph said that after the war there will be several hundred thousand persons who will want to fly, including the boys and girls who have been taking flight instruction in 20,000 high schools. There were 24,000 privately owned planes at the time of the attack on Pearl Harbor and he predicted that shortly there will be at least that many in New York state alone.

#### Convenient Location Important

Many of the other speakers at the clinic spoke along similar lines. W. T. Piper, president of Piper Aircraft Corp., makers of light planes, emphasized the need for a great number of small airports, conveniently located. He pointed out that many airports have been built which are needlessly extensive and so far away from the communities they were designed to serve that they have lost much of their value for private flying. Part of the trouble has been a shortsighted effort to utilize land that was cheap, even though its remoteness caused it to lose much of its value to airplane owners and pilots. Mr. Piper suggested that an "airpark" might be constructed by decking over a number of buildings in New York City.

#### Geuting Touches on Future

Joseph T. Geuting, Jr., acting manager personal aircraft council, Aeronautical Chamber of Commerce, spoke on the future of aviation and personal flying and small airports. He said that it may well prove to be true that the personal use of an airplane will become the most important use of it, as the private conveyance of average citizens, similar in social and economic importance to the automobile. Citing what the automobile has done, he said there is no reason why the airplane for personal use cannot do as much and even more.

The word airport, Mr. Geuting said, has only the most limited meaning to

## Am. Surety Loses Bankruptcy Issue in U. S. High Court

WASHINGTON — American Surety was loser in a decision of the U. S. Supreme Court Monday, holding that the claims of unpaid material men against the estate of a bankrupt contractor, take precedence over the subrogation claim of the surety, even though such material men had not complied with the statutory notice provision. The case was American Surety vs. Paul W. Sampson. The opinion was delivered by Justice Black.

Stratton, now in bankruptcy, was bonded by American Surety for \$39,500 in connection with the alteration of certain California factory buildings. Stratton was unable to pay all the laborers and material men. Some of them with claims amounting to \$6,724 filed lien claims and gave notice within the statutory period and American Surety paid their claims in full. Others failed to file claims or give the required notice according to the California code, and American Surety did not pay them.

Stratton was later adjudged a bankrupt. American Surety filed claim to recover the amount it had paid material men and laborers.

Three of the material men and laborers who had failed to give notice also filed claims totaling \$1,336 and the referee allowed all of these claims including that of American Surety as general claims in bankruptcy.

#### Claim Subordinated

Upon motion of the trustee in bankruptcy, the referee subordinated American Surety's claim to that of the unpaid laborers and material men, holding that "as long as there are creditors of the class for whose benefit the original surety bond was written, the surety company cannot participate in dividends from the estate until these creditors have been paid in full."

The district court and the circuit court of appeals upheld this order, and the Supreme Court stated it granted certiorari because of American Surety's contention that the order subordinating its claims failed to take into consideration contractual rights of the surety under California's state law.

American Surety argued that because the California statute that was incorporated into the bond requires laborers and material men either to file a lien claim or notify the surety within a specified time, the referee's order was incorrect. The rights of those creditors, it was argued, had never under California law been more than inchoate and even as such had been completely extinguished prior to the bankruptcy proceedings because of a failure to give the statutory notice. Justice Black voiced the belief that this contention is without merit.

#### Extraordinary Security

Justice Black stated the court recently had occasion to reiterate that federal bankruptcy law not state law, governs the distribution of a bankrupt assets to his creditors. In *Prudence Realization Corp. vs. Ferris*, 323 U. S. 650, 653 it was stated that the federal law should be applied with "appropriate regard for rights acquired under rules of state law." However, according to Justice Black, the extent to which state law is to be so considered is in the last analysis a matter of federal law. Here the referee's subordination of the surety's claim did not only follow the well established rule under federal bankruptcy law, but also achieved a result in complete harmony with California's aim, of providing material claims with extraordinary security.

The established federal rule of distribution in such a situation was clearly set forth in *American Surety vs. Westinghouse Electric Manufacturing Co.*, 296 U. S. 133, the opinion stated. Here American Surety had paid out to creditors the full face of the bond and filed

## Mutual Auto and Cas. Meet Mar. 29-30

The automotive and casualty section of the National Association of Mutual Insurance Companies will hold an underwriting clinic at the Stevens hotel in Chicago March 29-30. P. E. Buehler, Beacon Mutual Indemnity, Columbus, is chairman of the section and C. T. Coats, Indianapolis, is acting secretary.

On March 29, the discussions will be on automobile underwriting, with the program developed by a committee headed by John Jacobs, Auto Owners, Lansing. The committee is composed of W. C. Farmer, Standard Reliance, Lincoln; Lynn Matteson, American Farmers Mutual, St. Paul; J. I. Davis, Home Mutual Casualty, Appleton, Wis.; E. P. Curry, Shelby Mutual Casualty, Shelby, O.; C. W. Peterson, Virginia Auto Mutual, Richmond, and T. F. Campbell, State Farm Mutual, Bloomington, Ill.

#### Casualty Committee

March 30 will be devoted to general casualty subjects with R. B. Goode, Allied Mutual Casualty, Des Moines, as chairman. The other committee members are O. C. Griffith, Farm Bureau Mutual Automobile, Columbus; A. A. Alderfer, Harleysville Mutual Casualty, Harleysville, Pa.; G. J. Starman, Home Mutual Liability, Cedar Rapids; H. A. Smith, Iowa Mutual Liability, DeWitt, Ia.; and L. M. Dunathan, Shelby Mutual Casualty.

## Put Voluntary Sick Plans Under Handicap in Cal.

Insurance men's hopes for the sale of voluntary sick insurance plans under the California health insurance measure were seriously dampened by the passage of a supplementary bill increasing 100-fold the expense allowance for state supervision of voluntary plans.

The original bill provided a top of .0002% of wages of those under a voluntary plan but the supplementary bill makes this 0.2% of wages or about 2% of premiums. Since there is a 2½% premium tax in California it means that voluntary insured plans start off with a 4½% handicap as compared with the state fund, if the governor signs the supplementary bill.

These bills have passed the legislature and are before the governor.

a claim in a bankruptcy proceeding. It argued that since its full liability had been extinguished it should be permitted to share ratably with all the bankrupt's general creditors. That contention was rejected. The surety was forbidden to share the assets on equal terms with any creditors who were members of the class its bond had been given to protect.

American Surety attempted to distinguish the Sampson case by arguing that the material men and workers to whose claims its claims have been subordinated were not "covered by the bond." American Surety contended that the bond does not protect material men and workers who have not complied with statutory filing and notice provisions. Justice Black stated that the basic reason for the rule announced in the *Westinghouse* case applies with equal force in the Sampson case. The bond was intended to protect material men and laborer who worked on the job so that they would not have to bear the risk of Stratton's insolvency. American Surety should not, by claiming under subrogation or indemnity for money paid to some of the creditors for whose benefit the bond was intended, be allowed to reduce the share of the bankrupt's assets due to other creditors whom the bond also was intended to protect from insolvency. This would tend to defeat the very purpose for which the bond was given and cannot be permitted under the equitable principles governing distribution of a bankrupt's assets.

## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, Feb. 28, 1946

	Par.	Div.	Bid	Asked
Aetna Cas. ....	10	3.00	92	96*
Aetna Fire ....	10	1.80*	87	89
Aetna Life ....	10	1.50*	56	58
Amer. Alliance ..	10	1.20*	24½	26
Amer. Cas. ....	10	.60	12	13½
Amer. Equitable ..	5	1.00	24	25½
Amer. Home ....	10	...	12½	13½
Amer. (N. J.) ..	2.50	.60*	21½	22½
Amer. Surety ....	25	2.50	73½	76
Balt. Amer. ....	2.50	.30*	7	7½
Boston ....	100	2.10*	75	77
Camden Fire ....	5	1.00	23½	25
Contl. Cas. ....	10	2.00*	58½	60
Cont. N. Y. ....	2.50	2.00*	56	57
Fidelity-Phen. ....	2.50	2.20*	64½	66½
Fire Assn. ....	10	2.50*	67	69
Firemen's (N.J.) ..	5	.50	17	18
Fireman's Fund ..	10	3.00	107	110
Franklin Fire ....	5	1.00	25½	27½
Glens Falls ....	5	1.85*	57	59
Globe & Repub. ..	5	.50	11½	12½
Gt. Amer. Fire ..	5	1.20*	35½	37
Hanover Fire ....	10	1.20	32	33½
Hartford Fire ....	10	2.50*	128	130
Home (N. Y.) ....	5	1.20	31½	33
Ins. Co. of N. A. ..	10	3.00*	107	109
Maryland Cas. ....	1	...	18	19
Mass. Bonding ..	12.50	3.50	96	100
Natl. Cas. ....	10	1.25*	29	31
Natl. Fire ....	10	2.00	65	67
Natl. Liberty ....	2	.30*	7	7½
Natl. Un. Fire ..	20	5.00*	200	205
New Amst. Cas. ..	2	1.00	34	36
New Hamp. ....	10	1.80*	52	54
North River ....	5	1.00	25½	27
Ohio Cas. ....	5	.80	35	37
Phoenix, Conn. ..	10	3.00*	98	100
Preferred Accl. ..	5	1.00*	14½	15½
Prov. Wash. ....	10	1.40*	42	43½
St. Paul F. & H. ..	12.50	2.00*	79	82
Security, Conn. ..	10	1.40	38	40
Sprgfd. F. & M. ..	25	4.75*	131	135
Standard Accl. ..	10	1.45	38	40
Travelers ....	100	16.00	660	675
U. S. F. & G. ....	10	1.50*	50	52
U. S. Fire ....	4	2.00	59	61

\*Includes extras.

## Set Ill. Agents Meeting for Peoria Sept. 16-17

The annual meeting of the Illinois Association of Insurance Agents has been set for Sept. 16-17 at Pere Marquette hotel, Peoria.

## Loman St. Louis Speaker

ST. LOUIS—Dr. Hary J. Loman, dean American Institute of Property & Liability Underwriters, at a luncheon meeting at the Mark Twain Hotel Monday, voiced regret at the high rate of mortality among those who attempt the examinations for the C.P.C.U. degree but said the present high standards will be maintained.

Despite the war the number of students and classes have doubled annually since 1942.

In response to a question by President Lou Trout of the Insurance Board, Dr. Loman said it is necessary to insist upon a high school education or its equivalent for those seeking to study for a C.P.C.U. because such a minimum is insisted upon in all other professions and also by the colleges that are participating in the program. There is no short-cut to a C.P.C.U. A real problem is finding teachers competent to handle insurance classes.

## Progress in Tenn. Rating Work

NASHVILLE — "Satisfactory progress is being made" in transferring fire and casualty rating work from private rating agencies to the state, Commissioner McCormack told the Nashville Insurance Exchange. The department's setup, admittedly still short of personnel, is in charge of Currey Sanders, manager also of the workmen's compensation division.

## Cont. Cas. Writes Big Bond

Continental Casualty is the originating company on a payment bond for construction of a U. S. naval ordnance test station at Inyokern, Cal. The contract, for \$5,060,000 was awarded to the Johnson, Drake & Piper Co. of Minneapolis and the payment bond in the amount of 40% of the contract price or \$2,024,000 was written by the Cobb, Strecker & Miller agency of Minneapolis.

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## Cab Driver Mauls Passenger; Insurer Held Not Liable

A taxi cab insurer is not liable on account of damages to a passenger that is beaten up by a cab driver, the federal court for the southern district of West Virginia has decided in *Huntington Cab Co. vs. American Fidelity & Casualty*.

The court found that the unprovoked assault was an accident within the meaning of the policy but the injuries were not received "by reason of the ownership, maintenance or use" of the automobile within the meaning of the insurance contract.

Chester Melba was the driver. Without any provocation or reason he beat up one McCallister, a passenger, and the latter got a judgment for \$2,600 against Melba and the cab company.

The court observed that the assault did not arise out of the operation of the automobile. There is no causal relation between the assault and the actual operation of the cab.

The cab company contended that the endorsement required by the state public service commission renders the coverage of the policy absolute as to the type of accident here involved. The court declared that the language of the endorsement limits liability to injuries resulting from the "negligent" operation of the automobile. This language is inconsistent with any intention on the part of the commission to require insurance covering any and all liability to which the cab company might be liable under the doctrine of respondent superior as contended by the cab company.

Attorneys for the cab company were E. A. Marshall, J. N. Huddleston, Fitzpatrick, Strickling & Marshall while John E. Jenkins represented American F. & C.

## Announce California State Meeting, Congress Speakers

E. J. Miller, Massachusetts Bonding, San Francisco, president of the California Association of Accident & Health Managers Clubs, will preside at its annual meeting at the Hotel Whitcomb, San Francisco, the morning of March 7. New officers will be elected and other state association business transacted. William E. Leiby, Massachusetts Indemnity, will tell how the Accident & Health Producers Association of Southern California operates. It is hoped that a similar organization may be formed in San Francisco. E. H. Mueller, managing director and acting executive secretary of the National association, will tell what that organization expects from the coast contingent.

Stephen S. Battleson, West Coast Life, president of the Accident & Health Managers Club of San Francisco, will preside at the luncheon. Elmer E. Robinson, superior court judge, will speak on "My Hobby—Collecting Early American Papers and Documents."

G. V. Chandler, General Accident, San Francisco, will be in charge of the sales congress, which will start at 2 p.m. Herbert H. Kirschner, president of the San Francisco Advertising Club, will speak on "You're on the Front Page." William H. Hardy, manager home office agency West Coast Life, on "Prospects." Mr. Mueller on "Magic in Selling." Leland B. Groezinger of Pillsbury, Madison & Sutro, who represents the Life Insurance Association of America, on "Legislation and How It Affects Your Business" and Walter G. Gastil, Los Angeles manager of Connecticut General Life, on "Trends."

A cocktail party will be held from 7:30 to 7:30 and at 8 p.m. the San Francisco club will entertain the Los Angeles visitors at the Forbidden City, a nightclub in the Chinese quarter.

C. C. Washburn, Preferred Accident, general chairman.

## Report Made on Minn., N. D. Assigned Risk Plans

MINNEAPOLIS—Total risks handled in 1945 under the Minnesota automobile assigned risk plan almost doubled as compared with 1944, the annual report of General Manager James F. Reynolds shows. New assignments and re-assignments handled totaled 1,596 compared to 887 in 1944.

The Minnesota plan was revised, effective July 1, 1945, to include risks other than those required to file evidence of financial responsibility and which have been unsuccessful in obtaining insurance voluntarily, provided such risks were entitled to such insurance. Eighteen physically handicapped individuals who were subject to assignment for reasons other than physical disability applied. Of the 938 new cases processed in 1945, 116 were unable to obtain insurance on a voluntary basis even though they were not required to show evidence of financial responsibility.

Mr. Reynolds also made an initial report on the North Dakota assigned risk plan, which is being handled through his office. Since it became effective June 1, 1945, to Dec. 31, 1945, 42 applications were made and 29 policies issued.

## Submit All Industry Bills to R. I. Study Group

The all industry rating bills were submitted to the special study committee of Rhode Island at a hearing at Providence.

F. J. Marryott, Liberty Mutual, was the principal spokesman. The proposed bill contains the latest all industry wrinkle of a 10 day waiting period. During the 10 days after the rate filing has been made it may be summarily rejected by the commissioner. He can ask for an additional 20 days and can kick the filings out without ceremony during that period. If the commissioner doesn't act in that period, the rates become official and the commissioner would thereafter have to justify any demand for withdrawal of the rates.

## Compromise Bill

Mr. Marryott explained that this was a compromise between the champions of prior approval and those advocating filing subject to subsequent disapproval.

Felix Hebert, counsel for the factory mutuals, declared that whatever is done should parallel as closely as possible the pattern of rate regulation in other states.

## Budlong Discusses Aviation for Pittsburgh Buyers

PITTSBURGH—Pilots, rather than planes, will govern aviation rates, according to Roger W. Budlong, editor and publisher of "Insurance Broker & Buyer," in an address before the Insurance Buyers of Pittsburgh.

Reliability, based on pilot maturity, status as a responsible family man, owner of life insurance and other indications of steadiness, combined with flying skill will determine premiums on industrial users.

Speaking as an observer, he referred to developments in the business which had grown out of war and post-war demands for adequate and proper coverages, it being indicated, he said, that aviation insurance was still a matter of judgment rating, as the demand for coverage exceeds the experience of most underwriters.

Local, international reinsurance and aircraft markets will not tax the potential of American insurance carriers, he declared. Those who hope, however, that with these broader powers insurance carriers will begin at once to issue completely comprehensive insurance in a single policy, are too optimistic, he said, for no one has ever worked out a formula to combine first party insurance with third party liability coverages.

Will T. Wells, of the Harrison Construction Co., president.

## Tuchbreiter Gives Review of Auto Situation Today

Experience on automobile P.L. and P.D. is more serious than the insurance industry as a whole is declaring and there is a great need for rate changes and more careful underwriting, Roy Tuchbreiter, president Continental Casualty, said in a letter to agents describing the present situation.

In his letter he pointed out that during the years preceding the war, because of improvement in experience substantial reductions were put into effect. An unfavorable trend in that experience had developed in the months immediately preceding the war and it was obvious that if that trend continued rates would have to be increased. Before any action was taken, gas and tire rationing was put into effect. It was obvious that this would result in a substantial diminution of the hazards and companies voluntarily made an arbitrary rate reduction.

Property Damage Bad

"During most of the war experience on automobile public liability justified this reduction, but because of increasing cost factors experience on property damage became progressively worse, with a resultant underwriting loss on that line. But when gas rationing was discontinued, an alarming increase in accident frequency and severity followed. Late last year rates were restored to substantially the same level which existed prior to the war but were not increased on outstanding policies.

"Reasons for the progressive increase in accident frequency and severity are obvious. Millions of young men have returned from war and most of them have had little, if any, driving experience during service. The driving public generally are resuming pre-war driving habits with old cars and bad tires. A general spirit of recklessness seems to prevail. Law enforcement has been weak and ineffective. The National Safety Council figures indicate the situation is becoming worse from month to month. There is no indication of improvement.

"The net result of this is that, quite aside from the fact that a large part of exposure is for the time being under the old rate level, the new rates are inadequate—probably about 25% on public liability and 40% on property damage.

"It is apparent that we are faced with serious rate inadequacy on automobile business and with a certainty of substantial underwriting loss until adequate rates can be secured. No doubt necessary rate increases will be put into effect, but in the meantime we are faced with the imperative necessity of minimizing the loss.

Promptly and calmly to face facts and by careful and intelligent action, in cooperation with field representatives, minimize loss during the bad period and prepare to undertake an aggressive building campaign when the tide turns, is the best solution for the problem today."

Sues for Return of Ohio Tax

Suit has been brought against Superintendent Dresel of Ohio and D. H. Ebright, state treasurer, by Maryland Casualty to recover \$23,985 paid as state premium taxes on the contention that the law under which the tax was levied is discriminatory and unconstitutional.

Standard Accident also has sued to collect \$8,394 in insurance premium taxes.

## Safety Work Now Highly Specialized, Says J. D. Dorsett

NEW YORK—J. Dewey Dorsett, general manager of Association of Casualty & Surety Executives, spoke on "Safety, Our New Science," at the annual safety dinner of the Associated Industries of New York state. Eighty-seven awards were presented, nearly all to industries in the metropolitan area with accident-free records for 1945.

Speaking to an audience composed of industrialists and safety engineers, Mr. Dorsett said that they must accept the fact that they are more or less the pioneers in the field of accident prevention; now in a position to apply their highly specialized science to a greater number of people than ever before.

## Hotchkis Resigns Executive Post in Pacific Indemnity

LOS ANGELES—At a board meeting of Pacific Indemnity, Preston Hotchkis, executive vice-president and treasurer, announced his resignation as officer and director. He was a co-founder of the company in 1926. He did not announce his future plans, Mr. Hotchkis is president of the Central Business Properties, director and executive committee member of the Consolidated Steel Corp.; and director of California Trust Co., Pacific Mutual Life, Blue Diamond Corp., Grand Central Garage Co., Los Angeles Warehouse Co. and other local concerns.

The directors declared an extra dividend of 50 cents per share, in addition to the regular quarterly dividend of 50 cents per share, both payable April 1, to stock of record March 15.

## Want N. J. All Industry Group

Efforts are being made in Newark to get an organization started that would represent insurance interests over the state and that would keep in touch with all types of legislation. The Accident & Health Underwriters Association of Newark sponsored one meeting, attended by representatives of six or seven of the larger organizations. The idea was favorably received and another meeting will be called soon by Alexander Grenier, local agent and president of the A. & H. association.

## Hear N. Y. Police Official

Deputy Police Commissioner J. B. Nolan of New York will be the speaker at the meeting this week of the Accident & Health Club of New York.

In cooperation with the Insurance Society of New York, the club has developed an A. & H. course to prepare candidates for the state examination. The next state examination will be April 16. The course will begin April 1, from 5:30 to 7 p.m., and will be held Monday, Wednesday and Friday for a two-week period. The cost is \$15.

## Colonial Seeks Extension

Colonial has requested the effective date for its withdrawal from the California motor vehicle insurance agreement be extended to April 1. This is the third extension it has requested, in an obvious effort to permit other companies adequate time to sign the amendments proposed to meet conditions brought up by Colonial and other companies, particularly as to the requirement for filing rates and deviations.

## Maryland Casualty Course

Maryland Casualty's six week course graduated 31, all but two of them war veterans.

A capacity enrollment has been reached for the class on March 11 and a number have applied for the May 6 course.



Roy Tuchbreiter

## Softening Effect Seen in Sales Work

### Business Is Easy to Get—Many Merely Taking Orders

Outstanding insurance executives are giving profound thought today to the probable effect of business conditions as found at present on those that will follow when more normal situations prevail and there will be stout resistance. There is much anxiety in the minds of thinking men. They realize that business is now very easy to get. More people have more money. They are increasing their insurance. They are buying protection that they did not have before. They are responding to the suggestions of producers as to an enlargement of their insurance program. They are taking on more business and personal protection.

It is a fact today that an insurance solicitor if he works and makes every business day a success, his own income is greatly augmented. He does not need to depend on scientific salesmanship or even salesmanship principles of the more elementary type. The question in the minds of executives is what is the effect of such easily gotten business? Will insurance salesmen lack ability in the future to deal with difficult lines? Have they become soft? Has the easy going resulted in flabby intellectual muscles? Because they have not had to follow a course of scientific salesmanship will they be handicapped in the future because they are rusty?

Before the war successful insurance salesmen realized that they must brush up on their salesmanship procedure, modernize it, follow certain principles and courses that have been worked out

by experts.

The easy going and getting situation today has not served to toughen intellectual salesmanship fiber. Producers have found it unnecessary to draw on their reserves. They can get business by very elemental and simple means. Many have become mere order takers and not salesmen. Some even disdain run of the mine business and establish a minimum below which they will suggest the prospect consult other agents.

### Pioneer Equitable Quits Mich.

LANSING, MICH.—The Pioneer Equitable has withdrawn from Michigan and canceled existing coverage, department officials have been notified.

### Hanover Opens Newark Unit

Hanover has opened a service office at 605 Broad street, Newark, under supervision of State Agent Edward W. Kelly.

Einar S. Owren has been appointed special agent. He was a captain in the army.

### Underwriting School for Agents

An underwriting school for Minnesota agents of Auto-Owners, sponsored by Byron Olsen and Charles Auch of the Town & Country agency, St. Paul general agents, was attended by more than 40 agents. E. L. Brandt, casualty underwriting manager; John Jacobs, automobile underwriting manager, and Willard Horn, claims manager, conducted the meetings.

### State Farm Has Okla. Rally

OKLAHOMA CITY—Fletcher M. Coleman, director of claims of the State Farm companies, Bloomington, Ill., was the chief speaker at the Oklahoma agency meeting of the companies. A. M. Settle, state director, presided, assisted by Mike Badeen, Tulsa, district manager. Guests included Glen Wood, agency claims manager, and A. B. Chapman of MacAlester, both of whom recently returned from military service.

### Eckhouse Joins Executives Body

Robert D. Eckhouse, formerly a major on the public relations staff in Italy, has joined the information and publications division of the Association of Casualty and Surety Executives. He will act as an assistant to the director and will be in charge of press and radio publicity.

Prior to his service, Mr. Eckhouse was with the Newark "Evening News." He saw action in both the Pacific and European theaters and was awarded the bronze star.

### Costigan in Milwaukee

MILWAUKEE—R. J. Costigan, Business Men's Assurance, Kansas City, president of the National Association of Accident & Health Underwriters, and E. H. Mueller, Milwaukee, secretary-treasurer and managing director, were guests at a joint evening meeting of the Milwaukee and Madison associations with about 75 in attendance. Officers, directors and past presidents of the Milwaukee association also attended a luncheon for Mr. Costigan to discuss National and local association plans and activities. He also spoke at the evening session.

### Pacific Mutual Has 44% Gain

Pacific Mutual Life reports a 44% gain in new premiums in its accident and health department the first two months of 1946 as compared with the corresponding figure in 1945. Increases in A. & H. were recorded throughout last year. R. Earl Denman of the Joseph M. Gantz agency, Cincinnati, who was national production champion of Pacific Mutual in 1945, currently tops all individual producers in accident and health.

North American Life & Casualty of Minneapolis has launched a 50-day golden anniversary contest.

## A. & H. Occupational Manual to Be Revised

NEW YORK—At a recent meeting here of the governing committee of the Bureau of Personal Accident & Health Underwriters it was decided to proceed with a revision of the standard occupational classification manual. The original manual was constructed by the bureau about 1900. It was revised in 1929.

During the war it was impossible to proceed with revision due to lack of personnel and to difficulty in gaining admittance to plants doing war work. Now a complete revision will bring the manual up to date with new industrial methods, many of which developed in the war, and at the same time making changes, the necessity of which has become apparent in the use of the present manual since 1929.

The work will be supervised by Manager J. F. Follmann, Jr., and the staff will be increased.

The governing committee indicated that the industry favors the passage of the standard provisions laws in all states, but that to tamper with these laws in individual states would destroy uniformity and legal precedent established over 35 years.

## Larter United National Representative in Pa., N. J.

Arthur E. Larter has been appointed field representative for United National Indemnity in Pennsylvania and New Jersey. He will work with State Agent J. C. Williamson.

Mr. Larter has just returned from overseas as a captain in the intelligence division of the army air corps in Europe. He was in the New York office of Great American Indemnity from 1928 to 1938 after which he served as field supervisor in New Jersey and eastern Pennsylvania until 1942, when he joined the army.

## Southern Cal. Groups Elect

LOS ANGELES—At the annual meetings of the southern California sections of the Pacific Coast department of the National Bureau of Casualty & Surety Underwriters, Casualty Acquisition Cost Conference and Fidelity & Surety Acquisition Cost Conference these members of the governing committee were chosen:

Bureau—Aetna Casualty, Globe Indemnity, Ocean Accident.

Fidelity and surety conference—Travelers Indemnity, Globe Indemnity, Fidelity & Casualty, U.S.F. & G., Hartford Accident, Maryland Casualty, Fireman's Fund Indemnity Co.

Casualty Conference—Aetna Casualty, Indemnity of North America, Fidelity & Casualty.

## Big Increase in Wash. Licenses

SEATTLE—Licensing of agents in Washington has increased 25% since the end of the war, the insurance department reports.

Licenses are being issued now at the rate of about 600 a month, as compared to 500 a month in the heaviest pre-war years. Most of the applicants are veterans and much younger than those in normal times.

## Mo. Auto Law Progresses

JEFFERSON CITY, Mo.—The senate roads and highway committee has recommended passage of the house committee substitute financial responsibility bill. It provides for revocation of license upon failing to satisfy a court judgment within 30 days after becoming final.

A. Herbert Nelson of Minneapolis, Minnesota state manager of Business Men's Assurance, is being mentioned as a possible Republican candidate for governor. He has made no announcement of his plans. Two years ago Mr. Nelson was a candidate for lieutenant governor and was second man in the primary.

## Jerome Sachs' Activities

WASHINGTON—Interviews are continuing in New York this week between Jerome Sachs, chief of the Commerce Department division of insurance and representatives of casualty interests, with a view to ascertaining what information the latter want the government to get from Latin American countries and what the government can do to further the cause of United States insurance board.

Marine and mutual interests in New York are also being consulted, it is understood. These interviews are following the conference last week between Sachs, his chief George Bell, head of the Department of Commerce international trade division, and New York interests.

Meanwhile, Henry Reed, North America, representing American Institute of Marine Underwriters, has been in Washington. They, too, are interested in U. S. insurance expansion abroad, and the placing of marine coverage on U. S. government-financed exports in this country.

## R. E. Johnson Back in Neb.

Russell E. Johnson, discharged navy lieutenant, has returned to Nebraska as state agent for New York Underwriters.

## Bottomley to Conn. State Post

HARTFORD—William A. Bottomley has been appointed assistant supervisor of claims and licenses in the Connecticut insurance department. For the past 10 years he has operated an agency here. Previously he was manager of Travelers at Waterbury, Hartford and Springfield.

## Indiana Pond Welcomes Vets

Indiana Blue Goose will give a welcome home party March 25, for its members who have been discharged from the armed forces. About 40 members have been serving and a large percentage are back. A dinner dance also is being planned to be held after Easter.

## North America Back in Far East

The North America companies have reopened their principal offices in the Far East.

V. I. G. Petersen, foreign manager, stated that all records and equipment in Hong Kong had been saved and the office has been reopened and at its pre-war location. The Shanghai plant also is functioning.

In Manila, North America is again in operation and agency appointments have been made.

## Promote J. F. Reid and G. M. Wile

J. Fred Reid, formerly assistant to the president, has been elected vice-president of Boston Manufacturers Mutual Fire and George M. Wile, field manager, has been elected assistant vice-president in charge of field service and new business.

Mr. Reid joined Boston Manufacturers in 1943 after 17 years in the inspection department of the factory mutuals.

Mr. Wile joined the company in 1940 as district manager in Ohio after 11 years in the factory mutuals inspection department and was transferred to the home office as field manager in 1944.

## J. R. McClung, Jr., Joins Kirschner

John R. McClung, Jr., formerly with the advertising department of the Aetna Life companies at the home office, has joined the staff of Kirschner & Co. Pacific Coast insurance advertising agency, with headquarters at San Francisco.

Clarence Conklin of Toplis & Harding, Chicago adjusters, will address the convention of the National Furniture Warehousemen's Association at the Edgewater Beach hotel in Chicago Feb. 28 on "Some Phases of Warehousemen's Liability."

Service Casualty of New York has been licensed in New Jersey and Ohio.



*it's all there  
in a nutshell*

Speed Up the Acceptance of Your Bond Risks by Keeping Anchor's "Field Counsellor" Cabinet at Your Elbow.

A simplified system for the preparation of Bond submissions—organizes the entire business for the Agent.

Application supply folders with indexed, manual-colored tabs carrying complete instructions for submission of risks; in addition, copy-righted factual information of an educational nature, in condensed form.

Anchoring Assures Smooth Saleing  
Short Form Applications  
Simplified Rate Manual



ANCHOR CASUALTY CO.  
ST. PAUL 1, MINN.



COMPANIES

Kemper Group  
Premiums Up 4.6%

Premium income of the Kemper group of insurers in 1945 totaled \$50,867,065, an increase of 4.6% or \$2,237,845 over 1944.

Automobile premiums increased 12.5% or \$2,697,855 to \$24,224,126. Bond premium income increased 45.2% and burglary writings increased 30.3%.

Fire writings increased 6.6% to \$2,746,299.

Premium income of Lumbermen's Mutual Casualty was \$36,120,981, increase 10.4%. Its automobile premiums increased 24.5% to \$17,803,737. A 55.9% increase was shown in bond writings and burglary income increased 28%.

Boiler and machinery net premiums in force increased 18.5% to \$3,682,051.

Nat'l Auto & Cas. Premiums  
Are Highest in History

LOS ANGELES — An increase of 27% in premium volume during 1945 is reported by National Automobile & Casualty. The writings were \$10,162,536.34, the largest in history and an increase of \$2,151,817.96 over 1944.

Assets are \$11,963,836.13. Loss reserves increased \$1,100,000 and premium reserve was up by \$900,000 to \$3,613,933.

Surplus to policyholders is \$1,786,042.

Veterans Organizing Company

Associated Veterans Aircraft & Automobile Insurance Co. is being organized at Oakland, Cal., by three returned veterans who served in the navy. They recently received a permit from the California department to sell—to themselves—2,000 shares of capital stock with a par value of \$50 at \$100 a share. The proceeds will be equally divided for capital and surplus. The company, according to papers filed with the department, plans to write automobile insurance, except bodily injury. Olin E. Darby is president, P. R. Lietzell vice-president, and George E. Darby secretary-treasurer.

American Casualty Correction

The automobile liability premium and loss figures for American Casualty that were shown on page 38 of the Feb. 14 issue are incorrect. The correct automobile liability premiums of American Casualty last year were \$2,809,982 while the net losses paid were \$1,014,746.

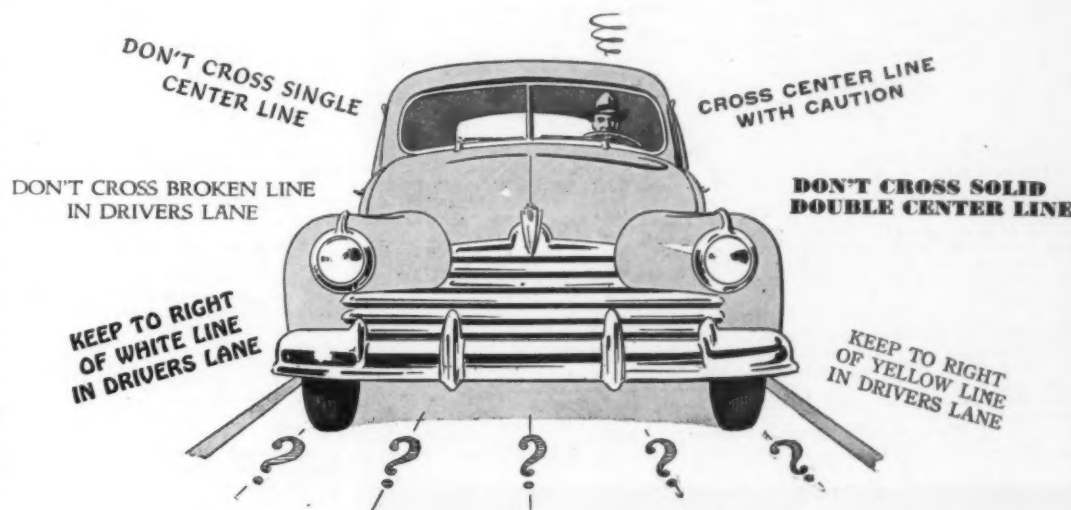
<b>Alliance Mut. Cas.</b> —Assets, \$443,086; inc., \$68,987; unearned prem., \$175,863; loss res., \$32,608; liab. res., \$54,706; surplus, \$149,003; inc., \$15,879. Experience:	
Net Prem.	Losses Pd.
Accident .....	\$ 1,592 \$ 40
Auto liability .....	67,954 13,716
Other liability .....	1,243 .....
Fidelity .....	1,044 .....
Surety .....	877 .....
Glass .....	2,627 1,428
Auto prop. damage .....	31,446 9,273
Auto collision .....	63,783 34,451
Other P.D. and coll. ....	484 63
Other auto .....	112,817 43,326
Total .....	\$ 284,803 \$ 10,372
<b>Amer. Credit Indem.</b> —Assets, \$10,004,356; inc., \$863,748; unearned prem., \$1,285,911; loss res., \$1,350,274; capital, \$1,500,000; surplus, \$4,443,638; inc., \$775,837. Experience:	
Surety .....	\$ 725 .....
Credit .....	2,677,508 \$ —25,570
Total .....	\$2,678,233 \$ —25,570

Shaw F. & D. Memphis Manager

William E. Shaw, since 1939 an assistant manager at New York of Fidelity & Deposit, has been appointed manager at Memphis, under Hamilton W. McComb, resident vice-president. Mr. Shaw was at one time an assistant manager at Memphis. He has been an F. & D. man since 1929.

<b>American Fire &amp; Cas.</b> —Assets, \$2,117,998; inc., \$535,771; unearned prem., \$536,365; loss res., \$119,715; liab. res., \$320,411; comp. res., \$24,164; capital, \$250,000; surplus, \$311,269; inc., \$43,651. Experience:	
Auto liability .....	\$ 366,708 \$ 75,175
Other liability .....	38,750 572
Workmen's comp. ....	106,732 27,876
Fidelity .....	4,273 .....
Surety .....	5,892 .....
Glass .....	5,359 1,493
Burglary and theft .....	8,244 1,025
Auto misc. ....	1,608 .....
Auto prop. damage .....	163,072 86,266
Auto collision .....	222,332 113,907
Other P. D. and coll. ....	23,333 4,080
<b>Other auto</b> .....	
Fire .....	144,224 56,218
Total .....	\$1,263,403 \$ 428,897
<b>American General</b> —Assets, \$7,344,724; inc., \$1,104,662; unearned prem., \$1,959,942; loss res., \$257,890; liab. res., \$408,644; comp. res., \$872,833; capital, \$1,250,000; surplus, \$2,142,417; inc., \$891,231. Experience:	
Group A. & H. ....	\$ 356,770 \$ 252,123
Auto liability .....	277,877 61,604
Other liability .....	129,270 12,291
Workmen's comp. ....	833,607 895,648
Fidelity .....	13,877 1,858
Surety .....	72,701 —5,423
Glass .....	21,615 8,391
Burglary and theft .....	23,703 7,864
<b>Auto prop. damage</b> .....	
Auto collision .....	117,482 63,252
Other P.D. and coll. ....	225,666 145,248
Fire, allied lines ....	27,430 2,189
Total .....	\$3,066,267 \$1,811,029
<b>American States</b> —Assets, \$5,786,308; inc., \$910,583; unearned prem., \$2,228,522; loss res., \$445,720; liab. res., \$931,673; comp. res., \$75,747; capital, \$600,000; surplus, \$600,000; inc., \$100,000. Experience:	
Accident .....	\$ 231,535 \$ 46,909
Auto liability .....	1,398,904 \$ 368,229
Other liability .....	148,601 15,654
Workmen's comp. ....	192,200 67,753
Fidelity .....	5,777 .....
Glass .....	38,542 18,569

[ MORE THAN INDEMNITY— ]  
The Insurance Industry Serves The Community



"Confusion Worse Confounded"

MOTORISTS driving from one state to another justly complain of the lack of uniformity in pavement markings. The New Englander who heads for Miami this winter may have to adjust along the route to as many as 15 changes in "No Crossing" markings. At virtually every state line he'll meet a change in the method of controlling traffic lanes through painted lines.

Nor are such markings uniform within the states. Sixteen of the 48 states employ two or more methods of marking no passing zones. Other traffic signs and signals follow a similar if less extreme pattern of diversity and confusion.

Anything that unnecessarily taxes the driver's

attention is serious. For "Danger! Traffic Jam Ahead!" is the current warning to all public officials from traffic experts who foresee that by 1960 the vehicle miles of travel may be twice the 1940 figure, and that accidents may increase at an even greater rate.

Through the Traffic and Transportation Division of its National Conservation Bureau, the Casualty Insurance Industry has worked year in year out to promote traffic safety. Greater uniformity in traffic signs and markings is currently one of the Division's special interests, working in association with other groups. The war against death on the highways goes forward on many fronts.

A Comprehensive Reinsurance Service



Casualty and Bonding Lines  
**GENERAL REINSURANCE CORPORATION**

Fire and Allied Lines  
**NORTH STAR REINSURANCE CORPORATION**

90 John Street, New York 7 • 200 Bush Street, San Francisco 4

Burglary and theft.	105,544	29,300
Auto prop. damage.	859,864	384,708
Auto collision.	1,327,417	742,378
Other P.D. and coll.	25,249	1,828
Comprehensive	582,886	248,371
Total	\$4,916,519	\$1,908,700

<b>American Surety—Assets, \$38,730,041; inc., \$671,952; unearned prem., \$8,482,001; loss res., \$7,973,461; liab. res., \$2,273,074; comp. res., \$2,635,778; capital, \$7,500,000; surplus, \$11,400,063; inc., \$1,407,531. Experience:</b>		
Accident	\$28,137	\$ 8,724
Auto liability	1,596,616	595,108
Other liability	1,063,391	176,254
Workmen's comp.	1,683,325	1,463,630
Fidelity	5,014,922	360,377
Surety	1,788,838	—32,389
Glass	159,914	62,199
Burglary and theft.	529,200	111,550
Auto prop. damage.	591,686	291,801
Auto collision	14,487	6,828
Other P.D. and coll.	104,896	20,759
Total	\$12,615,417	\$3,064,545

<b>Casualty Ind. Exch.—Assets, \$42,854; inc., \$42,854; unearned prem., \$29,313; loss res., \$61,890; surplus, \$241,189; inc., \$39,312. Experience:</b>		
Liability	\$83,940	\$ 4,385
<b>Citizens Mutual Auto Co.—Assets, \$2,212,791; inc., \$306,379; unearned prem., \$831,107; loss res., \$300,365; liab. res., \$448,031; surplus, includes \$150,000 vol., \$504,923; inc., \$95,044. Experience:</b>		
Auto liability	\$552,084	\$2,561
Other liability	3,938	—
Auto prop. damage.	334,150	94,958
Auto collision	432,734	297,870
Other P.D. and coll.	1,684	—
Other auto	271,379	105,795
Total	\$1,595,969	\$591,184

<b>Colonial L. &amp; A.—Assets, \$590,181; inc., \$147,035; unearned prem., \$143,841; liab. res., \$23,003; non-can. A. &amp; H. res., \$7,097; capital, \$100,000; surplus, \$293,168; inc., \$98,614. Experience:</b>		
A. & H.	\$420,930	\$ 96,620

<b>Commercial Standard—Assets, \$5,523,430; inc., \$439,283; unearned prem., \$2,087,127; loss res., \$387,748; liab. res., \$738,548; comp. res., \$697,760; capital, \$605,000; surplus, \$544,458; inc., \$74,266. Experience:</b>		
Fire	\$248,138	\$105,587
Tor. & ext. cover.	117,630	73,494

Inland marine	108,298	32,165
Title	51,395	250
Auto liability	1,158,382	551,629
Other liability	161,266	15,609
Workmen's comp.	1,345,866	678,807
Fidelity	42,191	—1,079
Surety	117,692	3,038
Glass	50,127	21,199
Burglary and theft.	40,120	6,555
Auto fire	147,318	38,871
Auto theft	28,051	25,568
Auto prop. damage.	523,515	311,642
Auto collision	596,821	447,972
Other P. D. and coll.	45,136	1,925
Other auto	198,208	90,554
Total	\$4,980,160	\$2,403,762

<b>Consolidated Underwriters—Assets, \$6,256,725; inc., \$212,624; unearned prem., \$344,180; loss res., \$138,528; liab. res., \$580,568; comp. res., \$1,938,001; surplus, \$2,925,861; inc., \$218,082. Experience:</b>		
Auto liability	\$298,052	\$2,060
Other liability	405,858	149,190
Workmen's comp.	2,285,705	1,197,572
Auto prop. damage.	109,009	56,388
Auto collision	137,794	77,964
Other P.D. and coll.	80,586	27,438
Total	\$3,317,004	\$1,591,612

<b>Craftsman—Assets, \$447,317; inc., \$63,871; unearned prem., \$66,439; loss res., \$67,985; non-can. A &amp; H res., \$80,000; capital, \$100,000; surplus, \$106,581; inc., \$19,558. Experience:</b>		
A. & H.	\$575,877	\$ 243,322
Non-can. H. & A.	48,702	29,207
Total	\$624,579	\$272,529

<b>Economy Auto Co.—Assets, \$1,617,825; inc., \$187,733; unearned prem., \$352,347; loss res., \$112,067; liab. res., \$262,691; capital, \$200,000; surplus, \$350,660; inc., \$21,423. Experience:</b>		
Auto accident	692	—
Auto liability	224,301	\$5,755
Other liability	865	5
Glass	21	—
Auto prop. damage.	129,652	39,734
Auto collision	173,757	82,384
Other P.D. and coll.	214	—
Auto fire, theft and comp.	107,780	33,086
Other auto	30,187	5,089
Total	\$677,469	\$216,053

<b>Eureka Cas.—Assets, \$4,651,665; inc., \$491,592; unearned prem., \$586,134; loss res., \$2,619,572; liab. res., \$481,210; comp.</b>		
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res., \$2,026,222; capital, \$500,000; surplus, \$600,000; inc., \$100,000. Experience:		
Auto liability	\$357,805	\$103,145
Other liability	92,001	14,678
Workmen's comp.	1,531,137	724,478
Fidelity	122	—54
Surety	—2,458	—
Glass	21,237	8,760
Burglary and theft.	25,813	5,950
Auto prop. damage.	155,322	93,333
Auto collision	2,702	419
Other P.D. and coll.	11,614	2,300
Total	\$2,197,757	\$51,551

<b>Farmers Union Mut. Auto.—Assets, \$445,083; inc., \$50,575; unearned prem., \$164,902; loss res., \$26,282; liab. res., \$86,792; surplus, \$127,165; inc., \$13,251. Experience:</b>		
Auto liability	\$93,391	\$24,294
Auto prop. damage.	61,873	25,678
Auto collision	57,498	32,399
Other auto	60,931	21,597
Fire & tornado	25,535	6,213
Total	\$299,231	\$110,183

<b>Frankenmuth Mut. Auto.—Assets, \$758,756; inc., \$92,857; unearned prem., \$221,349; loss res., \$45,897; liab. res., \$95,810; permanent fund, \$200,000; surplus, \$186,807; inc., \$31,673. Experience:</b>		
Auto liability	\$137,086	\$38,615
Auto prop. damage.	87,229	54,922
Auto collision	137,567	107,497
Other auto	72,214	28,295
Total	\$434,096	\$229,329

<b>Greater N. Y. Taxpayers Mut.—Assets, \$5,947,770; inc., \$549,021; unearned prem., \$1,404,257; liab. res., \$1,653,055; surplus, \$2,686,751; inc., \$52,565. Experience:</b>		
Liability	\$1,914,938	\$502,337
P.D. and coll.	4,005	25
Total	\$1,918,938	\$502,362

<b>Government Employees—Assets, \$2,399,534; inc., \$548,774; unearned prem., \$843,604; loss res., \$325,658; liab. res., \$617,148; est. exp. of investigation, \$44,849; capital, \$300,000; surplus, \$216,715; inc., \$109,379. Experience:</b>		
Auto liability	\$585,903	\$143,795
Pass. medical pmts.	71,687	9,900
Auto prop. damage.	260,243	127,923
Auto collision	520,242	280,705
Other auto	200,487	106,083
Total	1,638,562	668,406

<b>Hardware Mutual Cas.—Assets, \$25,110,115; inc., \$2,669,271; unearned prem., \$6,497,247; loss res., \$972,740; liab. res., \$5,043,168; comp. res., \$4,685,010; guar. fund, \$1,600,000; surplus, \$2,943,227; inc., \$214,033; special surplus funds, \$1,047,350. Experience:</b>		
Accident	\$39,280	\$ 6,833
Group A. & H.	28,805	14,352
Auto liability	4,634,393	\$1,410,565
Other liability	1,076,682	142,374
Workmen's comp.	6,234,344	2,672,791
Glass	234,492	88,906
Burglary and theft.	277,166	65,071
Auto prop. damage.	1,900,165	848,206
Auto collision	1,693,870	890,349
Other P.D. and coll.	154,901	16,320
Total	\$16,274,098	\$6,155,768

<b>Harleysville Mut. Cas.—Assets, \$5,356,295; inc., \$660,241; unearned prem., \$1,067,715; loss res., \$235,000; liab. res., \$1,357,237; surplus, \$1,763,795; inc., \$99,096. Experience:</b>		
Auto liability	\$1,273,066	\$ 350,965
Auto prop. damage.	659,452	295,883
Total	\$1,932,519	\$ 646,849

<b>Hawkeye Casualty—Assets, \$2,375,271; inc., \$280,382; unearned prem., \$864,754; loss res., \$195,639; liab. res., \$398,561; comp. res., \$104,902; capital, \$450,000; surplus, \$150,000. Experience:</b>		
Accident	\$2,159	—
Auto liability	606,591	\$173,403
Other liability	50,598	1,719
Workmen's comp.	203,090	58,802
Fidelity	5,015	—
Surety	31,805	—
Glass	6,344	1,519
Burglary and theft.	17,740	3,008
Cargo	21,438	3,831
Auto prop. damage.	346,140	158,122
Auto collision	326,582	172,354
Other P.D. and coll.	6,520	754
Other auto	220,318	71,625
Total	\$1,844,340	\$ 645,137

<b>Income Guaranty—Assets, \$285,002; inc., \$28,595; unearned prem., \$62,161; loss res., \$61,178; capital, \$100,000; surplus, \$36,000; inc., \$8,981. Experience:</b>		
A. & H.	\$278,918	\$175,661
Non-can. H. & A.	157,400	55,257
Total	\$436,318	\$230,919

<b>Inland Mutual—Assets, \$387,559; inc., \$82,406; unearned prem., \$149,384; loss res., \$17,266; liab. res., \$113,499; surplus, \$85,104; inc., \$20,925. Experience:</b>		
Auto liability	\$139,336	\$ 48,126
Cargo	9,638	1,365
Auto prop. damage.	75,210	28,364
Auto collision	82,327	34,870
Other auto	30,958	5,663
Total	\$337,472	\$118,390

<b>Insurers Indemnity—Assets, \$1,583,821; inc., \$143,655; unearned prem., \$287,703; loss res., \$35,111; liab. res., \$134,880; comp. res., \$246,651; capital, \$250,000; surplus, \$350,000; contingent res., \$186,527. Experience:</b>		
Auto fire	\$ 6,975	—
Auto theft	689	\$ 384
Comprehensive	15,858	6,814
Auto liability	145,138	62,950
Other liability	100,984	16,219
Workmen's comp.	609,629	338,852
Surety	48	—
Glass	7,891	4,003
Burglary and theft.	15,019	4,452
Auto prop. damage.	73,463	45,756
Auto collision	30,779	30,496
Other P.D. and coll.	13,100	2,148
Total	\$1,019,573	\$512,594

<b>Iowa Mutual Cas.—Assets, \$869,589; inc., \$171,218; unearned prem., \$316,898; loss res., \$76,903; liab. res., \$92,447; comp. res., \$16,985; surplus, \$279,830; inc., \$14,944. Experience:</b>		
Auto liability	\$157,111	\$ 36,935
Other liability	32,160	3,795
Workmen's comp.	61,110	17,994
Glass	1,335	—
Burglary and theft.	14,345	1,485
Auto prop. damage.	120,051	45,600
Auto collision	146,755	83,941
Other P.D. and coll.	6,287	800
Other auto	110,494	37,518
Cargo	5,548	2,393
Total	\$655,196	\$231,321

<b>Liberty Lloyds—Assets, \$445,685; inc., \$26,006; unearned prem., \$41,821; loss res., \$3,608; liab. res., \$29,434; comp. res., \$94,218; guaranty fund, \$93,513. Experience:</b>		
Auto liability	\$17,117	\$ 8,147
Other liability	26,808	5,638
Workmen's comp.	144,533	59,500
Fidelity & Surety	613	—
Auto prop. damage.	7,170	1,995
Auto collision	9,551	2,810
Other P.D. and coll.	4,287	140
Other auto	7,112	2,620
Fire, ext. cov. & tor.	4,840	1,400
Total	\$222,031	\$ 82,298

<b>London &amp; Lancashire Indem.—Assets, \$9,534,445; unearned prem., \$2,611,375; loss res., \$521,855; liab. res., \$1,862,211; comp. res., \$695,082; capital, \$1,000,000; surplus, \$2,233,128; inc., \$364,860. Experience:</b>		
Accident	\$399,062	\$116,614
Health	22,142	9,145
Auto liability	1,442,390	615,991
Other liability	738,073	146,529
Workmen's comp.	829,447	321,594
Fidelity	51,136	10,763
Surety	144,646	2,461
Glass	136,886	54,341
Burglary and theft.	304,011	97,142
Auto prop. damage.	513,643	273,856
Auto collision	36,380	13,726
Other P.D. and coll.	31,185	5,235
Total	\$4,469,007	\$1,667,331

<b>Loyal Protective Life—Assets, \$5,281,696; inc., \$956,481; unearned prem., \$485,556; loss res., \$264,851; non-can. A &amp; H res., \$280,885; capital, \$600,000; surplus, \$2,345,651; inc., \$441,298. Experience:</b>		
A. & H.	\$380,205	\$175,610
Group A. & H.	90,076	42,216
Non-can. H. & A.	1,348,863	329,843
Total	\$1,819,145	\$ 547,679

<b>Lumber Mut. Cas.—Assets, \$4,504,046; inc., \$331,942; unearned prem., \$542,592; loss res., \$62,926; liab. res., \$370,101; comp. res., \$1,924,874; surplus, \$1,177,483; inc., \$46,302. Experience:</b>		
Auto liability	\$198,702	\$ 53,818
Other liability	168,598	43,086
Workmen's comp.	2,121,430	969,802
Auto prop. damage.	78,283	44,560
Auto collision	644	—
Other P. D. and coll.	28,736	10,800
Total	\$2,596,393	\$1,122,083

<b>Mich. Mutual Liability—Assets, \$17,305,100; inc., \$1,156,883; unearned prem., \$2,561,662; loss res., \$734,964; liab. res., \$1,656,938; comp. res., \$6,943,548; guar. surplus, \$500,000; surplus, includes vol. cont. res. of \$750,000, \$4,151,385; inc., \$400,193. Experience:</b>		
Group A. & H.	\$76,342	\$ 65,436
Auto liability	1,370,786	440,676
Other liability	253,304	17,583
Workmen's comp.	4,884,370	2,245,154
Glass	7,989	2,953
Burglary and theft.	11,423	2,703
Comprehensive	415,319	192,761
Auto prop. damage.	666,238	387,789
Auto collision	858,659	507,064
Other P.D. and coll.	43,281	11,936
Other auto	109,484	25,035
Total	\$8,697,195	\$3,599,079

<b>Motor Vehicle Casualty Co.—Assets, \$1,772,350; inc., \$277,634; unearned prem., \$608,802; loss res., \$127,930; liab. res.,</b>		
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\$249,164; capital, \$300,000; surplus, \$300,000. Experience:	Net Prem. Losses Pd.	\$249,164; capital, \$300,000; surplus, \$300,000. Experience:	Net Prem. Losses Pd.
Auto liability .....	\$463,542 \$ 168,503	Accident .....	\$ 14,457 \$ 2,095
Other liability .....	3,450 142	Auto liability .....	86,245 40,870
Auto prop. damage .....	249,550 66,236	Other liability .....	2,586 100
Auto collision .....	334,714 168,078	Burglary and theft .....	3,615 1,171
Auto fire and theft .....	187,618 61,974	Auto prop. damage .....	52,634 26,673
Acc. & auto misc. ....	6,499 2,466	Auto collision .....	84,930 45,390
Total .....	\$1,245,373 \$ 467,399	Other P. D. and coll. ....	491 44
<b>Mutual Benefit H. &amp; A.—Assets, \$49,888,279; inc., \$11,252,761; unearned prem., \$10,776,924; loss res., \$17,112,652; non-can. A. &amp; H. res., \$687,419; surplus, \$15,524,049; inc., \$3,222,929. Experience:</b>		Other Auto .....	39,437 17,145
A. & H. ....	\$48,477,532 \$ 20,579,165	Total .....	\$ 1,045 14
Group A. & H. ....	1,151,016 1,036,093	Total .....	\$ 285,440 \$ 133,502
Non-can. H. & A. ....	463,252 252,894	<b>Pioneer Mut. Compensation—Assets, \$191,647; inc., \$24,711; unearned prem., \$77,777; loss res., \$11,023; comp. res., \$21,268; surplus, \$81,576; inc., \$11,299. Experience:</b>	
Total .....	\$50,091,802 \$ 21,868,153	Auto liability .....	\$ 66,704 \$ 29,588
<b>National Auto &amp; Cas.—Assets, \$11,885,658; inc., \$1,648,224; unearned prem., \$3,613,933; loss res., \$5,276,710; liab. res., \$1,255,991; comp. res., \$3,135,309; capital, \$1,000,000; surplus, \$786,042; dec., \$289,918. Experience:</b>		Other liability .....	2,730 957
Auto liability .....	\$1,285,953 \$ 298,217	Workmen's comp. ....	36,825 24,420
Other liability .....	718,000 55,748	Auto prop. damage .....	42,536 19,619
Workmen's comp. ....	4,621,329 1,959,458	Other Auto .....	67,903 19,295
Fidelity .....	21,319 —2,366	Cargo .....	1,008 381
Surety .....	162,424 27,753	Total .....	\$ 217,709 \$ 84,263
Glass .....	94,058 37,752	<b>Standard Mut. Cas.—Assets, \$469,586; inc., \$40,453; unearned prem., \$114,606; loss res., \$20,684; liab. res., \$77,470; surplus, \$180,000. Experience:</b>	
Burglary and theft .....	267,832 69,008	Auto liability .....	\$ 84,420 \$ 28,999
Auto prop. damage .....	609,410 273,536	Auto prop. damage .....	52,137 17,391
Auto collision .....	1,533,046 1,052,733	Auto collision .....	53,816 28,398
Other P.D. and coll. ....	164,254 17,349	Other P. D. and coll. ....	30,566 7,273
Other auto .....	684,905 306,825	Auto misc. ....	377 110
Total .....	\$10,162,536 \$ 4,096,015	Total .....	\$ 221,316 \$ 82,171
<b>National Indemnity—Assets, \$334,751; inc., \$68,946; unearned prem., \$25,543; loss res., \$5,610; liab. res., \$14,075; capital, \$150,000; surplus, \$110,352; inc., \$51,542. Experience:</b>		<b>State Auto. Assn., Ind.—Assets, \$7,459,467; inc., \$263,664; unearned prem., \$1,648,445; loss res., \$1,898,317; liab. res., \$1,277,986; surplus, \$1,500,000. Experience:</b>	
Auto liability .....	\$ 22,382 \$ 6,304	Auto liability .....	\$1,298,396 \$ 484,668
Auto prop. damage .....	9,519 1,891	Auto prop. damage .....	598,016 471,185
Auto collision .....	18,947 15,386	Auto collision .....	1,057,215 768,470
Other auto .....	18,567 4,654	Other auto .....	379,549 238,093
Total .....	\$ 69,417 \$ 28,236	Total .....	\$3,333,178 \$1,962,419
<b>New York Cas.—Assets, \$10,283,514; inc., \$1,127,625; unearned prem., \$2,262,715; loss res., \$2,640,950; liab. res., \$1,299,372; comp. res., \$798,211; capital, \$1,500,000; surplus, \$3,250,104; inc., \$349,796. Experience:</b>		<b>State Farm Mutual Auto.—Assets, \$52,327,194; inc., \$3,765,911; unearned prem., \$36,995,386; loss res., \$6,184,740; liab. res., \$16,001,265; guar. fund, \$250,000; surplus, \$10,125,945; inc., \$3,160,707. Experience:</b>	
Accident .....	\$ 2	Auto liability .....	\$16,578,711 \$ 4,523,812
Auto liability .....	945,331 \$ 389,367	Other liability .....	136,283 12,334
Other liability .....	537,648 118,991	Auto prop. damage .....	4,793,735 2,859,242
Workmen's comp. ....	790,789 386,883	Auto collision .....	12,741,949 8,785,558
Fidelity .....	710,314 44,373	Other P.D. and coll. ....	22,982 2,105
Surety .....	356,229 45,953	Other auto .....	4,638,428 2,195,146
Glass .....	148,098 60,992	Total .....	\$3,912,089 \$18,378,198
Burglary and theft .....	244,489 66,373	<b>Shelby Mut. Cas.—Assets, \$3,855,280; inc., \$565,560; unearned prem., \$1,489,193; loss res., \$215,334; liab. res., \$833,877; comp. res., \$68,635; surplus, \$1,026,201; inc., \$77,705. Experience:</b>	
Auto prop. damage .....	372,894 205,701	Auto liability .....	\$ 849,121 \$ 192,009
Auto collision .....	6,750 2,727	Other liability .....	239,551 40,860
Other P.D. and coll. ....	52,728 8,312	Workmen's comp. ....	119,478 29,159
Total .....	\$5,176,324 \$1,329,677	Glass .....	514,159 255,368
<b>North American Accident—Assets, \$13,661,875; inc., \$8,519,973; unearned prem., \$2,169,075; loss res., \$914,006; capital, \$750,000; surplus, \$838,521; dec., \$26,708. Experience:</b>		Burglary and theft .....	114,611 28,479
A. & H. ....	\$6,534,870 \$2,188,911	False arrest .....	4,533
<b>Northwest Cas.—Assets, \$4,720,012; inc., \$552,315; unearned prem., \$1,601,031; loss res., \$473,880; liab. res., \$1,034,809; capital, \$400,000; surplus, \$994,103; inc., \$174,651. Experience:</b>		Auto prop. damage .....	368,682 181,231
Group A. & H. ....	\$ 21,972 \$ 15,298	Auto collision .....	217,488 127,454
Auto liability .....	1,013,171 275,768	Other auto .....	88,621 32,580
Other liability .....	294,260 35,808	Total .....	\$2,516,248 \$ 887,141
Surety .....	10,981	<b>Standard of Okla.—Assets, \$428,495; inc., \$103,033; unearned prem., \$41,377; loss res., \$3,417; liab. res., \$7,914; comp. res., \$54,969; capital, \$250,000; surplus, \$57,286; inc., \$1,732. Experience:</b>	
Glass .....	34,106 14,070	Auto liability .....	\$ 9,539 \$ 500
Burglary and theft .....	97,431 23,700	Other liability .....	10,251 45
Auto prop. damage .....	485,909 218,766	Workmen's comp. ....	150,240 41,212
Auto collision .....	822,247 455,865	Glass .....	638 92
Other P.D. and coll. ....	32,363 7,684	Burglary and theft .....	1,176 81
Other auto .....	380,523 140,514	Auto prop. damage .....	5,558 727
Tornado .....	1,139 86	Auto collision .....	4,641 206
Total .....	\$3,194,108 \$1,187,562	Other P. D. and coll. ....	1,747
<b>Northwestern Nat. Cas.—Assets, \$3,009,059; inc., \$455,099; unearned prem., \$667,089; loss res., \$170,234; liab. res., \$819,423; capital, \$500,000; surplus, \$689,228; inc., \$81,736. Experience:</b>		Other Auto .....	3,689 403
Auto liability .....	\$ 765,756 \$ 216,636	Total .....	\$ 187,479 \$ 43,266
Other liability .....	57,943 5,470	<b>Sunset Casualty—Assets, \$177,184; inc., \$5,618; unearned prem., \$17,163; loss res., \$12,508; liab. res., \$1,250; capital, \$100,000; surplus, \$40,025; dec., \$183. Experience:</b>	
Glass .....	18,748 3,153	A. & H. ....	\$ 122,818 \$ 40,918
Burglary and theft .....	24,893 2,997	<b>Suburban Cas.—Assets, \$1,047,574; inc., \$122,717; unearned prem., \$308,984; loss res., \$40,634; liab. res., \$204,080; capital, \$200,000; surplus, \$253,888; inc., \$41,575. Experience:</b>	
Auto prop. damage .....	362,649 151,503	Auto liability .....	\$ 243,003 \$ 71,897
Auto collision .....	43,858 26,881	Auto prop. damage .....	122,237 47,414
Other P. D. and coll. ....	1,715 192	Auto collision .....	167,920 108,328
Other Auto .....	41,072 10,593	Other auto .....	93,032 34,943
Misc. ....	1,449 825	Auto misc. ....	13,222 5,151
Total .....	\$1,318,033 \$ 418,250	Total .....	\$ 639,417 \$ 267,736
<b>Old Line Automobile Insurers—Assets, \$112,086; inc., \$4,369; unearned prem., \$12,047; loss res., \$3,150; liab. res., \$5,970; surplus, \$86,209; inc., \$10,376. Experience:</b>		<b>Texas Employers—Assets, \$9,536,746; inc., \$485,641; unearned prem., \$819,970; loss res., \$4,729,975; comp. res., \$4,729,975; surplus, \$2,692,212; dec., \$11,308. Experience:</b>	
Auto liability .....	\$ 22,923 \$ 10,398	Workmen's comp. ....	\$7,126,800 \$3,585,151
Auto prop. damage .....	12,386 5,488	<b>Tri-State Cas.—Assets, \$586,014; inc., \$48,011; unearned prem., \$89,329; loss res., \$5,040; liab. res., \$37,176; comp. res., \$171,250; surplus, \$253,888; inc., \$41,575. Experience:</b>	
Auto collision .....	5,261 2,347		
Cyclone .....	2,414 422		
Total .....	\$ 42,984 18,655		
<b>Republic Mutual—Assets, \$373,713; inc., \$22,345; unearned prem., \$128,943; loss res., \$32,527; liab. res., \$58,108; guar. fd.,</b>			

Striving with every facility for the opportunity to serve risks properly, through agents and brokers exclusively.

Pennsylvania Casualty Company  
A multi-line stock company  
Baltimore

491; capital, \$150,000; surplus, \$106,954; inc., \$49,128. Experience:

	Net Prem.	Losses Pd.
Auto liability .....	\$ 1,563	\$ 5,363
Other liability .....	23,197	1,917
Workmen's comp. ....	355,452	171,262
Auto prop. damage. ....	25	5,595
Other P. D. and coll. ....	9,542	1,927

**United Benefit Life**—Assets, \$53,532,524; inc., \$16,754,354; unearned prem., \$1,046,026; loss res., \$954,876; non-can. A. & H. res., \$27,131; capital, \$1,000,000; surplus, \$4,171,359; inc., \$266,128. Experience:

A. & H. ....	\$3,285,907	\$ 982,258
Group A. & H. ....	11,328	3,820
Non-can. H. & A. ....	99,169	36,609
Total .....	\$3,396,405	\$1,022,688

**Utilities**—Assets, \$990,156; inc., \$53,133; unearned prem., \$254,211; loss res., \$49,500; liab. res., \$225,919; comp. res., \$112,389; capital, \$204,000; surplus, \$104,067; inc., \$1,546. Experience:

Auto liability .....	\$ 236,184	\$ 85,923
Other liability .....	52,140	10,258
Workmen's comp. ....	176,315	70,507
Auto prop. damage. ....	94,235	46,872
Auto collision .....	59,433	31,213
Other P. D. and coll. ....	4,980	145
Towing .....		48
Total .....	\$ 623,287	\$ 244,966

**Western States Mut. Auto.**—Assets, \$407,443; inc., \$57,084; unearned prem., \$135,397; loss res., \$39,368; liab. res., \$62,019; surplus, \$149,511; inc., \$5,777. Experience:

Accident .....	\$ 1,316	\$ 123
Auto liability .....	90,454	18,314
Auto prop. damage. ....	55,509	11,568
Auto collision .....	73,177	36,785
Other auto .....	37,063	11,909
Wind and misc. ....	14,584	5,404
Total .....	\$ 272,104	\$ 84,103

**Wolverine**—Assets, \$3,095,138; inc., \$303,658; unearned prem., \$1,129,608; loss res., \$375,557; liab. res., \$708,843; capital, \$200,000; surplus, \$451,531; inc., \$9,284. Experience:

Accident .....	\$ 612	
Auto liability .....	863,069	\$ 198,344
Other liability .....	27,146	1,515
Glass .....	11,676	2,475
Burglary and theft. ....	33,237	12,762
Auto prop. damage. ....	441,356	190,593
Auto collision .....	784,457	430,108
Other P. D. and coll. ....	7,639	1,051
Other auto .....	358,912	155,607
Total .....	\$2,528,007	\$ 992,453

**U. S. Mutual Liability**—Assets, \$575,401; inc., \$10,984; unearned prem., \$10,420; liab. res., \$10,518; comp. res., \$181,251; surplus, \$451,531; inc., \$9,284. Experience:

## SURETY

### N. Y. Fiduciary Bond Rates Cut

Fiduciary bond rate reductions, averaging about 15%, have been put into effect in New York state as a result of conferences between the New York department and the Towner Rating Bureau. The premiums on the bonds affected by the rate reduction amount to about \$1 million annually in New York state.

The minimum premium for the first \$1,000 of coverage remains at \$10 but the rate for a \$2,000 bond has been reduced about 25%.

### Finds Many Faults with REA Bond

Francis G. Bradley, assistant vice-president of Massachusetts Bonding, in addressing the newly organized Rural Electrical Contractors Association at Chicago, urged this group to memorialize the rural electrification administration to specify for contract bonds form 25, which is familiar to contractors, sureties, material men and the other government agencies.

Mr. Bradley cited several objectionable features to the bond form that REA has been requiring. Essentially, he declared, this REA form is a completion bond since it runs in favor of the local cooperative and also to the REA.

Another objectionable feature, accord-

251; surplus, \$371,512; inc., \$35,170. Experience:	
Auto liability .....	\$ 14,128
Other liability .....	314
Workmen's comp. ....	110,653
Total .....	\$ 125,095

**Vermont Accident**—Assets, \$208,231; inc., \$52,053; unearned prem., \$21,639; loss res., \$22,180; capital, \$35,000; surplus, \$126,412; inc., \$41,801. Experience:

A. & H. ....	\$ 265,437	\$ 138,435
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ing to Mr. Bradley, is that the bond form is more extensive than that for other federal departments in that it covers the claims of material men, even though the material is not incorporated into the actual work. Also he complained that the surety never knows the actual extent of its liability because it covers supplemental contracts that may be awarded.

The meeting was held at the Edgewater Beach hotel, Chicago, during the week that Associated General Contractors was meeting in the city.

Another speaker was Raymond M. Smith, vice-president of Seaboard Surety. He likewise pointed out objectionable features of the bond and of REA projects in general from the surety's standpoint. He said the losses on the class have exceeded the premiums.

The contractors were extremely critical of the REA stamp and the association was formed to try to bring about improvements. Apparently the government is slow in paying the contractor. There are frequent delays due to lack of poles, transformers or other equipment. There are numerous right-of-way troubles due to the failure of the local cooperative to get clearance.

There were a number of surety men on hand, having been invited by the contractors to come and hear their woes. After listening to the proceedings the surety men came to the conclusion that REA bonds are something to shy away from.

### Hawaii Contract Awarded

LOS ANGELES—J. Carroll Duncan and A. D. Hoppe of Los Angeles have been awarded the sub-contract for plastering at the Tripler General Hospital in Hawaii, at their low bid of \$901,065. Fidelity & Deposit, through its southern California office, will write the bond, with three other carriers participating by way of reinsurance.

## PERSONALS

Fred E. Law, president of Reserve of Chicago, is acting as treasurer of the committee that is raising funds for the campaign of Hugh Riddle of Highland Park, who is a candidate for the Republican nomination in the 10th Illinois Congressional district.

## DEATHS

Harold C. Cruickshank, engineer at Travelers Detroit office, died. He had been with the company since 1917.

G. E. Hargraves, 68, who represented the Aetna Life companies in Seattle for many years, died there.

Baxter V. Havens, 48, Indiana manager of Hartford Accident, died from carbon monoxide poisoning at his home in Indianapolis. The fumes came from a newly installed gas furnace which was being used for the first time. Mr. Havens celebrated his 25th anniversary with Hartford last May. He was a son of the late C. M. Havens, well known local agent at Plainfield, Ind. His first in-

surance connection was with the Indiana Audit Bureau. From there he took a field position with Sterling Fire and when that company ceased business he went with Hartford Accident. His brother, H. S., is a local agent at Plainfield.

Charles J. Feehley, 53, district agent of Great Central Mutual at Saginaw, Mich., died there.

Mrs. Charlotte F. Walker, wife of D. Stuart Walker, Philadelphia manager of Mutual Benefit Health & Accident and United Benefit Life, died Feb. 22 due to a heart ailment. She was 35.

### Manzelmann Answers Accident-Health Critics

Accident and health men can be proud of the job their business is doing and have no reason to apologize for it, in spite of the criticisms which have been made from both within and outside the business, George F. Manzelmann, president of North American Accident, told the Oklahoma Accident & Health Association at a meeting in Oklahoma City with 45 members and guests in attendance.

He pointed out that it is now the leader among all casualty lines, with annual premiums of \$600 million. He reviewed some of the points brought up at the mid-year meeting of the Health & Accident Underwriters Conference and the accident and health committee of the National Association of Insurance Commissioners in Chicago and said that the critical comments on accident and health insurance should not be accepted at their face value. There may be a few companies that are not operating on a strictly ethical basis, but the same is true of banks, grocers and every other line of business. If only 2% are in that class and 98% are all right, the business should be judged by the record of the 98% and not the 2%. He especially deprecated any sniping along this line from within the business, saying that it should present a united front, as other businesses do.

### Social Security Changes Presaged

(CONTINUED FROM PAGE 13)

and railroad workers (with adjustments related to the civil service retirement and railroad retirement laws). Credits for veterans, he indicated, should be retroactive to the beginning of the war. Employees of state and local governments could be covered, he suggested, under voluntary agreements with states.

Altmeyer estimated 10 million self-employed and a total of all workers of about 21 million are not now covered, the bulk of whom should be, he said. There are 84 million social security accounts now, he said, but only 41 million persons now have insured status. With extension of OASI, he said, fewer people would be entitled to old-age assistance and reduction of this "load would be tremendous," particularly in rural areas. He suggested increasing the "retirement test" from \$15 to \$30 per month.

Cost of increasing OASI benefits by \$25 to \$35 a month would be "negligible" if coverage is extended to all groups of gainful workers, because of the much larger tax base, according to Altmeyer. Such increased benefits, he suggested, should be accompanied by increase from \$3,000 to \$3,600 of the maximum wages upon which social security tax is based. "Actuaries always err on the conservative side," said Altmeyer in discussing estimated costs, etc.

Expressing the hope that "some insurance company" does not "notice" Altmeyer and tempt him to leave government service, Rep. Dingell, co-author of the general social security bill bearing his name, announced that the committee

(CONTINUED ON PAGE 28)

## A Consistent Policy

An insurance company's service to agents can take no more useful form than writing their business, year in and year out. Some companies oscillate between extreme underwriting liberality and ultra-conservatism. In better times they seek new business aggressively; when profit margins dwindle, they restrict writings severely. Study the record of company premium writings in depression years as well as in 1945. Note how New Amsterdam has avoided drastic changes in policy.

**New Amsterdam**  
Casualty Company

BALTIMORE

NEW YORK

Announcing our new

### SPECIAL SERVICE DIVISION . . .

. . . for Inland Marine audits and inspections, bond and burglary loss audits and hospital malpractice surveys. We protect our clients from every possible insurance and tax contingency. "Bargain" rates for such services may imply a lack of quality.

**ATWELL VOGEL & STERLING, INC.**

. . . have 24 years of experience in Casualty and Inland Marine Audit, Inspection and Engineering service.

Principal Offices: Main Office—40 John St., New York; 369 Pine St., San Francisco; Insurance Exchange Chicago; 15 other offices and 30 other headquarters cities maintained to give service through the entire country.



## CHANGES IN CASUALTY FIELD

### Chaloner Am. Auto Chicago Head; Loring to Ranch

Russell S. Chaloner has been named resident vice-president in Chicago for American - Associated to succeed E. D. Loring, who is retiring to become a full time Arizona rancher. He bought the property two years ago with this end in view.

Mr. Chaloner has been manager at Minneapolis nine years and prior to that was assistant Chicago manager.

The new Minneapolis manager is Nate J. Perrin, who has been manager at Des Moines since 1943.

Mr. Perrin, in turn, is succeeded by T. B. McDonough who has been with the group 18 years including some time in the Iowa field.



R. S. Chaloner



E. D. LORING

Mr. Chaloner has had a long experience in casualty insurance in the Midwest. He got his training with Travelers and was with that company



N. J. PERRIN

in Chicago seven years, then he was western manager five years for Norwich Union Indemnity and Phoenix Indemnity. He was home office representa-

tive for Royal Indemnity 1½ years, was manager of the old Lloyds Casualty at Chicago for a year and then went to American Automobile as assistant manager at Chicago.

Mr. Loring made the announcement of his retirement at the banquet at the home office in connection with the home office conference. He was presented with an inscribed silver tray by President O. L. Schleyer.

Mr. Loring has been in the insurance business since just after the first war. He started with Travelers Indemnity as special agent. He operated for five years as general agent of Hartford Accident at Kansas City and then as general agent at Detroit for Southern Surety for three years. In 1930 he became Detroit manager of Export and Export Indemnity and then went to Chicago with Marsh & McLennan. He became manager of American Auto in 1933 and was elected resident vice-president in 1935. The Chicago branch has been conspicuously successful. Mr. Loring was born at Leeds, England.

### Peck Resumes Field Post in Amer. Auto at Chicago

Charles R. Peck, Jr., former special agent of American Automobile in Cook county, Ill., has been discharged from naval service and has returned to the American Automobile-Associated group in Chicago as field representative.

He has been in the navy for 22 months most of that time as a physical instructor of V-12 and R.O.T.C. youths with the rank of specialist aid 2/c. After training in the physical instruction school at Bainbridge, Md., he was stationed at Wabash College, Crawfordsville, Ind., and the University of Louisville teaching regular drill and setting up exercises, judo, and so forth.

### Two Travelers Field Men Back on Job from Navy

A. B. Fowler and Jackson M. Whiteside have been released from service and appointed field assistants by Travelers; Mr. Fowler in Bridgeport and Mr. Whiteside in Minneapolis.

Mr. Fowler entered the navy in 1943 and when released was a lieutenant. He served on a destroyer in the Philippines and Okinawa campaigns.

Mr. Whiteside entered the navy in 1944 and was at Iwo Jima and Okinawa.

### Holzhauser Named Assistant in New York Office

Frank G. Holzhauser, for the last two years in charge of the New York metropolitan automobile department of Royal Indemnity, has been promoted to assistant manager of that department. He has had 25 years' casualty insurance experience, starting with the home office underwriting department of Royal Indemnity in 1921. In 1923 he went with Metropolitan Casualty and remained until 1941. Then he went with New Amsterdam Casualty as assistant secretary in charge of the automobile department in the home office. He returned to Royal Indemnity in 1944 to take over supervision of the metropolitan automobile department.

### Wynne to Phoenix-London

NEW YORK—Joseph A. Wynne has been appointed manager of the eastern fidelity and surety department of the Phoenix-London group at 60 John street. Before service as a lieutenant in the navy, Mr. Wynne was with New Amsterdam Casualty and Maryland Casualty.

### Harvey Assistant Secretary

J. D. Harvey has been elected secretary of Fidelity Mutual of Indianapolis. He has been with the company 20 years.

### New F. & D. Duties for Radcliffe; Edgar Foster V.P.

BALTIMORE—George L. Radcliffe, U. S. Senator from Maryland and a director and first vice-president of Fidelity & Deposit, has been elected chairman of the executive committee of F. & D. Edgar F. Foster, manager of the fidelity department, was elected a vice-



GEORGE L. RADCLIFFE

president and Donald L. Buckler, W. H. Parr and Jay S. Price were elected assistant secretaries.

Senator Radcliffe, who is rounding out his second six-year term in the senate, has been connected with Fidelity

& Deposit since 1913, when American Bonding, of which he then was first vice-president, was merged with F. & D. He has been associated with surety interests 42 years.

Mr. Foster went with F. & D. in 1906 and except for the period 1930-32 when he served as New York manager, he has been continuously associated with the fidelity department. He is an outstanding authority on fidelity bond underwriting.

Mr. Buckler joined F. & D. in 1928 as a special agent and subsequently served as manager at Buffalo and at Boston. He became assistant manager of the agency department in 1937 and was made associate manager in 1945. He is a graduate of University of Pennsylvania.

Mr. Parr joined F. & D. in 1920 in the judicial department and for the past several years has been a member of the underwriting staff of that department. He is a graduate of University of Maryland law school.

Mr. Price has been connected with F. & D. since 1928 and at present is manager of the inspection bureau. He is a graduate of University of Maryland law school.

### Hankey Pittsburgh Manager

Mervin H. Hankey has been named Pittsburgh manager for American Casualty.

Mr. Hankey was just released from the navy as a lieutenant after serving in the Pacific. After graduation from Waynesburg college he entered American Casualty's Pittsburgh office as special agent and later became production manager.

### Advancements in Ind. Mutual

Carl M. Russell has been elected general manager of Farmers Mutual Liability of Indianapolis. He had been superintendent of agencies and had been with the company since 1928. T. L.

## A. F. SHAW & CO.

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GENERAL AGENTS

### Insurance

175 West Jackson Boulevard, Chicago 4

Telephone Wabash 1068

Higgins was promoted to superintendent of agencies and Howard L. Rhea to office manager.

### Sampson Joins Employers Mutual Casualty in Wis.

Wylie C. Sampson has been appointed general agent for Wisconsin for Employers Mutual Casualty of Iowa, with headquarters at Milwaukee. He is a well-informed casualty executive, having been with Employers Mutual Liability of Wisconsin for 31 years. He was vice-president and general sales manager of that organization prior to his resignation.



W. C. Sampson

### Rudd and Van Fleet Team Up

John S. Rudd, Jr., who has been released from the navy as a lieutenant commander, has joined George Van Fleet in the consulting actuary field at Austin. They will do work for life and casualty companies and for public and private pension plans.

Mr. Rudd graduated from the Univer-

sity of Michigan actuarial school, went with Southland Life, then became vice-president and actuary of Southern Standard of Houston, in 1937 became actuary and assistant director of the teacher retirement system of Texas.

He will continue to act as actuary for the teacher retirement system. During his absence in the navy that work was handled by Mr. Van Fleet.

Mr. Van Fleet graduated from Montana State College in 1923, then was a mathematics instructor at University of Michigan, later was assistant professor of mathematics at Oregon State College. He got his master's degree in mathematics at University of Michigan in 1929 and then became assistant actuary of American National of Galveston. In 1935 he was named actuary of the Texas department and since 1941 has been operating as an independent actuary for life and casualty companies and for a large oil company.

Until suitable office space is available Mr. Rudd will make his headquarters at 107 West 14th street and Mr. Van Fleet will continue at 801 Tribune Tower building.

### Mutual Boiler Men Advanced

BOSTON—Clair L. Keene, in charge of engineering and inspections; H. R. S. Perdriau, in charge of field production and policyholder service; and Stanley H. MacInnes, in charge of claims, have been appointed assistant vice-presidents of Mutual Boiler.

### Watters Canadian Superintendent

Eric G. Watters has been appointed Canadian superintendent of Century Indemnity. He was with Indemnity of North America as casualty superintendent at the Canadian head office and for the last six years he has been casualty manager of Halifax at Toronto.

George Charlan has been appointed bond manager for Bayly, Martin & Fay, Los Angeles. He had been with Seeley & Co. in San Francisco.

Lt. Comm. Charles S. Bishop has returned to his former position as an attorney in the bonding claim division at the home office of Standard Accident.

Jack C. Holker, recently discharged from the army air corps in which he served as flight officer in Europe, has joined U.S.F.&G. in Minneapolis. Before entering service he was with the American Underwriters Agency in Minneapolis. He is a son of Harold Holker, assistant manager of Maryland Casualty in Minneapolis.

### New Company in Seattle Announces Expansion Plans

SEATTLE—Ralph C. Lewis, formerly vice-president of Thieme-Morris, Seattle local agency, has joined the newly organized Northwestern of Seattle as superintendent of underwriting. Before entering the agency business, Mr. Lewis was with United Pacific.

George MacIntosh, vice-president and manager, said Northwestern will soon apply for admission to Oregon, Idaho and California. It was chartered to write all lines of automobile insurance but plans to enter the general liability field in the near future.

Lloyd Roberts has been elected assistant vice-president in charge of claims. He holds a similar position with Northwestern Life, affiliate of the casualty company. O. R. Wagner, a vice-president of the life company, and Miss C. E. Wagner, secretary of the life company, also have been elected to similar posts with the casualty company.

### Mo. "Comp" Contract O.K'd

JEFFERSON CITY, MO.—The Senate appropriations committee has recommended the passage of two bills appropriating \$83,500 to pay premiums on workmen's compensation insurance covering employees of the state highway department and state highway patrol to June 30.

Action on the bills had been held up

until the committee members could check into the contract entered into by the highway department with Hartford Accident through the Lawton-Byrne-Bruner agency of St. Louis.

T. G. Rockwell of the Moore, Case, Lyman & Hubbard agency, Chicago, is enjoying his annual sojourn on Isle of Pines, Cuba. Harry E. Knight of that agency is in Florida.

## ACCIDENT AND HEALTH

### Son Succeeds Father as Craftsman Head

BOSTON—E. P. Goodnow has been elected president of Craftsman to fill the vacancy caused by the resignation of his father, C. M. Goodnow, who in turn becomes vice-president.

Miss Helena E. Bardin, formerly assistant treasurer, became treasurer.

The new president was for 10 years an executive of Loyal Protective, serving as extension manager and later as secretary. In recent years he has been Craftsman's treasurer.

### United Offers Hospital Surgical, Medical Package

United of Chicago has brought out a program called "Healthsure," embracing the elements of hospital care, surgical indemnity and medical and nurse care, Vice-president H. G. Rockwood announces.



H. G. Rockwood

The hospital care provision with a \$4 daily limit costs \$1 a month for adults and 50 cents a month for children.

For surgery, according to a schedule ranging from \$10 to \$100 the cost is 50 cents per month for adults or children.

For medical and nurse care benefits the cost is \$1 a month for adults and 75 cents a month for children. The limit of indemnity under this feature is \$150. Payment is made up to \$5 a day for home treatment not to exceed 30 days for any one disability; up to \$2 a day for hospital treatment and \$2 for office treatment. For a registered nurse in the home, the plan will pay up to \$5 a day.

The maximum cost for medical and nurse care on a family basis is \$3.50 per month regardless of the number in the family.

The age limits are three months to 65 years.

Maternity benefits are provided after the policy has been in force nine months.

The policy is being sold individually and also through newspapers. It is be-

ing featured by the "Times-Press" of Streator, Ill.

### W. K. Smith President of Los Angeles Managers Club

LOS ANGELES—The Accident & Health Managers Club of Los Angeles has elected these officers: President, W. Kenneth Smith, Pacific Employers; vice-president, Ray G. Scofield, Massachusetts Bonding; secretary-treasurer, Robert Kelly, American-Associated companies; directors, Walter E. Mast, Continental Assurance; Floyd W. Forker, Pacific Mutual Life; Ralph E. Bridges, Travelers; A. O. Leonard, Hartford Accident, and Mel Randall, Occidental Life.

As the 1947 convention of the California Accident & Health Association will be held in Los Angeles, and the officers will be from this city, the club has nominated this slate of officers to be presented to the San Francisco convention March 7: President, Walter E. Mast, Continental Assurance; vice-president, W. L. Thomas, Massachusetts Bonding; secretary-treasurer, Charles E. Olsen, Cass & Johansing. Eighteen from Los Angeles signed their intention of attending that meeting.

The club spent an hour in a round table discussion of the disability benefit bill just passed by the California legislature.

### Group Health to Boost Benefits

ST. PAUL—Group Health, Inc., announces that because of the increase in memberships and the doubling of surplus, hospital and medical benefits will be increased this year. In 1945 the management reported membership increased 72.92% and medical care 65%. About 40,000 persons in 16,000 families are now protected by the plan, which is affiliated with credit unions and co-operative units.

### Hvale and Whitely Advanced

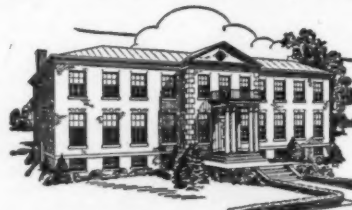
A. B. Hvale, manager of the accident and health underwriting department of Continental Casualty, has been advanced to chief actuary and assistant secretary and F. B. Whitely, assistant underwriting manager, to manager of the underwriting department.

Mr. Hvale has been with Continental for 30 years and since 1942 has carried the dual responsibility of operating the underwriting department and promulgating rates and underwriting regulations for all of the accident department's policy and rider equipment, both old

## SUBURBAN CASUALTY COMPANY PIONEER FIRE INSURANCE CO.

EDWIN F. DECKE  
President

"Suburban"  
Founded  
in  
1925



(Our Modern Home Office Building)

"Pioneer"  
Founded  
in  
1918

2 GOOD STOCK COMPANIES  
Worthy of the Highest Confidence

Home Office—Wheaton, Ill.

Chicago Office—100 W. Monroe Street

## WANT ADS

**AUTOMOBILE UNDERWRITER WANTED**  
Man with experience in Automobile Liability and Physical Damage coverages in our Home Office. State age, experience and general qualifications.

AMERICAN INDEMNITY COMPANY  
P. O. Box 1250—Galveston, Texas

### WANTED

**ACCIDENT AND HEALTH CLAIM ADJUSTER**  
Young man with Accident and Health background to adjust claims in Wisconsin territory. Excellent opportunity. State age, experience and education. Address E-99, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### WANTED—SPECIAL AGENT

Progressive agency company writing auto and general casualty insurance needs special agent for Northeastern Ohio. Expanding company with bright future. Our employees know of this advertisement. Give experience in replying. All answers confidential. Address F-3, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### AVAILABLE

April 15 for Home Office Claim Department, man with exceptional legal and casualty claims executive record. Capable of taking complete charge or filling major supervisory post. Write F-4, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### CASUALTY FIELD REPRESENTATIVE

Fast growing midwestern casualty company has excellent opportunity in Indiana territory for agency supervisor to develop casualty business. All applications strictly confidential. Address F-7, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

February 28, 1946  
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and new. Mr. Whitely, while only 40 years old, has been with the company 20 years, joining it just after his graduation from the University of Illinois.

After field work in the agency department and general agency experience in Chicago, he joined the accident and health underwriting department in 1930 as chief underwriter of the hospitalization, franchise and disability division and in 1942 became second in command to Mr. Hvale, in charge of all accident and health underwriting.

#### Swisher Columbus President

Harold F. Swisher, Mutual Benefit Health & Accident, has been named president of the Columbus Association of Health & Accident Underwriters. E. J. Staton, Monarch Life, is vice-president and J. H. Garrett, Business Men's Assurance, secretary-treasurer. At a meeting Monday, Mr. Swisher discussed the proposed new type of examination for health and accident agents.

#### Labor Setup of Blue Cross

The Blue Cross Hospital Plan Commission has set up a labor division in its national enrollment office at New York. Martin E. Segal is the consultant. This will be a central office for enrolling labor union members and their families. It will also aim to promote the use of Blue Cross in effectuating group insurance schemes that are contained in collective bargaining agreements. It will also get up various kinds of statistics.

#### County Health Plan in Seattle

SEATTLE—The board of county commissioners has agreed to enter into a temporary health insurance contract for all county employees with the Medical Security Clinic, pending study of two other medical aid contracts submitted by the King County Medical Service Corp. and the Blue Cross.

#### Now Progressive of Red Bank

Progressive Life of New Jersey has moved from Long Branch to Red Bank where it is occupying a building at 365 Broad street, named the Progressive Life building. This is a company operating under the old assessment law, but putting up full legal reserves. It operates in the life and A. & H. fields and specializes on Negro risks. Louis Horowitz is president.

#### "His Occupation" Bill in R. I.

A bill to place the Rhode Island sick insurance fund on a "his occupation" basis has been passed by the lower house and is now in the Senate. The measure is intended to nullify a finding of the Rhode Island superior court that a person who is able to carry on any occupation may not receive state sick benefit.

#### Mass. Protective Men Return

Several members of the home office staff of the Massachusetts Protective companies have returned from service.

Edward R. Hodgkins, assistant secretary, served as lieutenant commander during the war, his last assignment being on the cruiser Memphis. He is an Annapolis graduate. Francis A. Harrington, assistant secretary, served as a lieutenant in the navy. His last assignment was on the Doyle C. Barnes, a destroyer escort.

Dr. Harold R. Leffingwell, assistant medical director, was a battalion medical officer attached and went all through the European campaign. Dr. George E. McCabe, assistant medical director, was with a hospital unit all through the European invasion, both in Italy and France.

#### Nat'l Casualty New Forms

National Casualty has brought out two new policies in the A. & H. department that it expects to appear on the best seller list.

One is called income security accident and sickness while the other, known as master accident, is a reproduction of the accident coverage con-

tained in the first named contract, which provides lifetime accident indemnity, two years sickness indemnity, house confinement not required at any time, female diseases covered, worldwide coverage, no occupational pro rate, incontestable clause, non-cancellable for period premium is paid.

The policy is available to employed persons on the basis of first day accident and first day sickness coverage; first day accident and eighth day sickness; 15th day accident and 15th day sickness; 29th day accident and 29th day sickness.

For the income security policy for men ages 16-49, class AAA, first day accident, first day sickness, the annual premium is \$23.50; class AA, \$32.10 and class A, \$33.55. For first day accident, eighth day sickness the corresponding rates are \$20.30, \$27.70, \$28.90; for 15th day accident, 15th day sickness rates are \$17.05, \$23.35, \$24.25, for 29th day accident, 29th day sickness the rates are \$13.80, \$19.00 and \$19.60.

The rates are increased 50% for ages 50-59. There is an additional initial premium of \$5.00. The rates quoted are for \$1,000 principal sum, \$50 monthly accident indemnity and \$50 monthly sickness indemnity for classes AAA and AA and \$500 principal sum and \$40 monthly benefit for class A.

For the master accident policy the cost for \$1000 principal sum and \$15 weekly indemnity is \$10.25 for class AAA; \$16.50 for class AA and it is \$23.50 for \$500 principal sum and \$15 weekly indemnity for class A.

#### \$6,350 China Job for Adjuster

WASHINGTON—UNRRA is seeking an experienced casualty claims adjuster to serve for approximately one year in China as head of its insurance and claims division at Shanghai. Base pay is \$6,350 plus travel expenses and maintenance. Present UNRRA plans do not carry beyond March 1, 1947, it is understood.

UNRRA handles its own insurance and expects disability and other claims arising in China will present big problems.

## ASSOCIATIONS

#### Pfalz Elected President of Michigan Organization

DETROIT—Edward Pfalz, manager of Massachusetts Bonding, was elected president of the Casualty & Surety Executives Association of Michigan at the annual meeting, succeeding John T. V. Keller, Maryland Casualty. Mr. Pfalz was secretary-treasurer in 1943-44 and vice-president last year. He also has been executive committeeman of the Surety Association of Michigan.

M. W. Schryver, Hartford Accident, was advanced from secretary-treasurer to vice-president and R. T. Schaller, manager National Surety, was named secretary-treasurer.

#### Indianapolis Engineers Elect

The Indianapolis Society of Casualty Engineers has elected Rodney H. Bálensiefer, vice-president of American States, president; Edward J. Wade, Michigan Mutual, vice-president, and Phillip A. Klein, Employers Mutual Liability, assistant secretary and treasurer. Charles D. Mosier, of the Indianapolis Safety Council, is secretary.

#### Joseph Los Angeles Speaker

LOS ANGELES—President Allen Driscoll of the Casualty & Surety Field Men's Association of Southern California reported at its meeting on his appearance before the Casualty Insurance Association of Southern California. He said he had been assured that association would lend its support to the Field Men's Association.

Joseph E. Joseph, resident manager of Ocean Accident, spoke. He said insur-

ance now is in a transitional period and it is necessary for field men to keep abreast of the developments and aid in the attempt to develop new activities in the business, as well as to help elevate the business.

#### Claims Attorneys to Meet

The Ohio Association of Claims Attorneys will hold a meeting in Columbus the evening of March 4. William F. Selve of Motorists Mutual will be in charge of the program.

#### Costigan to Denver, Salt Lake

Robert J. Costigan, president of the National Association of Accident & Health Underwriters, will address the Denver association March 8 and will go from there to Salt Lake City for the sales congress of the Utah Accident & Health Club.

#### New Type of Auto Law Is Introduced in Ky.

LOUISVILLE—A motor vehicle safety bill of the New York-New Hampshire type has been introduced in the Kentucky legislature. There is a property damage report minimum of \$50. Reports would go to department of revenue.

The act would become effective June 1, 1947.

The Casualty Underwriters Association of New Jersey will hold a luncheon meeting in Newark March 11.

Standard Fire policy booklets comparing 1943 New York Form with 1918 Form and 1886 Form available from F. C. & S. Bulletins, 420 E. 4th St., Cincinnati 2, Ohio. Write for prices.




**SALES HELPS that really help sell**

Planned promotions on every type of casualty insurance makes a well rounded sales program easy for Buckeye Union agents. Personal contacts help build local reputations and up-to-date sales helps get new business. Your inquiry will also receive individual attention.

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**AUTOMOBILE  
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*Service to*

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**EUREKA CASUALTY COMPANY**  
PHILADELPHIA, PENNSYLVANIA

Established 1915

# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Missouri Agents Program Ready

ST. LOUIS—The bank and agent auto finance plan, problems of rural agents, post-war opportunities and business trends are among the interesting subject on the program for the midyear meeting of the Missouri Association of Insurance Agents, to be held here April 1-2. George F. King of Columbia, president, and B. G. Gregory of St. Louis, executive secretary, will conduct the sessions, which will be held in the Statler hotel. The executive committee, of which Harry Gambrel of Kansas City is chairman, will meet the evening of March 31.

The well-balanced program has been worked out by a committee of which W. R. Dunham, St. Louis, and O. B. Siminons, Kansas City, are co-chairmen. There will be various group sessions.

A rural agents forum, of which the co-moderators will be Dudley F. Giberson, Giberson agency of Alton, Ill., and Charles F. Daniels, manager of that agency, will be held the morning of April 1. W. J. Mitchell, North America group, will talk on "Foreign Trade and Marine Insurance—Post-War Opportunities" in another session that morning, and Ray J. Beech, superintendent of production of American-Associated companies, on "Agents' Handling of Large Compensation Risks" in still a third one. The Aetna's "Bank and Agent Auto Plan" motion picture in technicolor will be shown in the morning.

#### Other Speakers and Topics

In the afternoon, C. H. Mahn, state agent of the Springfield group, will speak on "Fire Prevention" and George G. Traver, public relations committee National Board, on "Public Relations Program Activities." Ross Shannon, district sales manager, Socony Vacuum Oil Co., will talk on "Business Trends," and Guy T. Warfield, Baltimore, vice-president National Association of Insurance Agents, on "Organization."

American Automobile will give a cocktail party for those in attendance, starting at 5 p.m. The banquet will have as speakers Superintendent Jackson of Missouri and Tom Collins of the Kansas City "Star," noted humorist.

#### Second Day's Program

The sessions April 2 will be devoted largely to association business affairs and will start in the morning. President King will give an address, followed by committee reports.

O. D. Prowell, St. Louis, the treasurer will report, and Mr. O'Toole, state national director, will tell of National association affairs.

Visiting ladies will have a theater party the evening of March 31 and a bus tour the afternoon of April 1.

#### Title Now Carney-Erickson

EAU CLAIRE, WIS.—The Dunnigan-Rutherford agency, one of the oldest local agencies in Eau Claire which was known as the J. A. Smith agency prior to 1924, has been changed to Carney-Erickson, Inc. John H. Carney is president and Clare E. Erickson secretary-treasurer. The same companies, personnel and officers will be retained. Mr. Carney became manager of Dunnigan-Rutherford 2½ years ago, coming from Milwaukee where he had practiced law, and done work for a casualty company. Mr. Erickson recently returned from 18 months' army service, prior to which he was in insurance in Eau Claire and Rockford, Ill.

### Limit Mich. Private Cover to Two Categories

LANSING, MICH.—Just before adjournment of its special session, the Michigan legislature passed a bill recommended by the governor to permit insuring liquor control commission warehouse stocks with private insurers outside the state fire fund. It also authorizes outside insurance for the state health laboratories' serum stocks, also considered an exceptional concentration of values in one location.

The senate reluctantly agreed to the proposed exemptions from the general fire fund law but limited such departures to the two categories—liquor commission and health department—and placed a time limit, permitting outside insurance only until Oct. 1, 1947. The house version of the bill would have permitted such outside insurance in any instance in which, after study by the insurance department's fire rating division, it appeared there were exceptional hazards and abnormal values in a single risk.

To bring the state fire fund, now only slightly above \$1 million, up to its statutory maximum of \$5 million, the senate also added a somewhat ambiguously worded amendment intended to require the rating division to collect premiums for the next two years on a basis of 50% of the rate that would be collected if the properties were insured in private carriers. L. J. Moore, chief rater, said present assessments for the fund range from 20 to 35% of full bureau rates.

### Announce Plans for Women's Regional in Minneapolis

MINNEAPOLIS—Plans for the regional meeting of insurance women here March 16-17 are announced by the local arrangements committee. As now arranged the program calls for a business meeting at 11 a.m. March 16, to continue well into the afternoon, followed by a cocktail party sponsored by George Van Wagenen, general agent. The conference dinner will be at 7 p.m. that day, with John Jackson of Weeks & Jackson, Home managers, as master of ceremonies.

On Sunday, March 17, the day's work will get under way with a breakfast at 9 o'clock followed by another conference session. A tea sponsored by Royal-Liverpool, will wind up the day's activities.

Insurance women are expected to attend from Minnesota, Iowa, Wisconsin, Nebraska and North and South Dakota. President Fern Anderson, president, and Maida Pitblado, corresponding secretary of the National Association of Insurance Women, and Richard A. Thompson, N.A.I.A. executive committeeman, will speak.

### Hold Educational Meeting March 14 in Hutchinson

Zone 5 of the Kansas Association of Insurance Agents, including agents from Reno, Rice, McPherson, Barton, Stafford and Marion counties, will hold an educational meeting March 14 at Hutchinson under the direction of A. H. Lewis, zone chairman and president of the Hutchinson association, and Byron R. Ward, Glens Falls state agent, chairman of the Kansas Fire Underwriters Association, which is cooperating with the Kansas association in conducting similar meetings over the state.

Starting at 10 a.m. the program will be devoted to a discussion of the new 1943 policy and new Kansas forms and

rules, with a panel composed of Wade Patton, chairman; R. L. Budge, St. John, president Kansas association; Curtman Maupin, Home state agent, Topeka; Mr. Ward and Ewing B. Fergus, manager Kansas Inspection Bureau, Wichita.

Agents of Dickinson and Saline counties, also in the zone, attended a recent meeting at Salina when L. A. Magill of Topeka, assistant manager of the bureau, led a discussion on the same subjects.

Agents of Cowley and Sumner counties will meet at Arkansas City March 14.

### Committee Chairmen of Indiana Association Named

INDIANAPOLIS—Linn S. Kidd of Brazil, president Indiana Association of Insurance Agents, has appointed committee chairmen. He also announced that the association has a membership of 1,035, representing the fourth largest unit of the N.A.I.A.

Indianapolis chairmen are: Bon O. Aspy, agency qualifications; P. E. Koplein, casualty; Herman C. Wolff, legislative, and William K. Gowan, marine. Others include: Joseph I. Hock, Richmond, accident prevention; Don Stoutenour, Goshen, finance; Kenneth MacLennan, Gary, fire insurance; L. J. Pierce, Muncie, fire prevention; Chris Zoercher, Tell City, grievance; Harold C. Phend, Monticello, insurance education; C. D. Kessler, Peru, local boards; Dan Gibson, Plymouth, membership; Paul Mefeld, Frankfort, publicity; Howard J. Gescheidler, Hammond, public relations, and Ray L. Strayer, Warsaw, rural agents.

### Three Sons Join Thompson-Kline

The Will S. Thompson-Kline agency, Hutchinson, Kan., which will celebrate its 50th anniversary in May, announced the addition of the three sons of N. N. Kline to the agency partnership, N. N., Jr., John R. and W. L. All are returned veterans. N. N., Jr., formerly with Fidelity & Deposit at Kansas City, has been in the finance department of the army air corps; John R., formerly a solicitor with the agency, was a gunnery officer on a navy transport with service in the Atlantic and Pacific; and W. L., formerly field assistant with the Dallas office of Travelers, was with the fourth armored division which saw over two years' service in Europe. John will specialize in fire lines; W. L. in casualty and N. N., Jr., in fidelity and bonds.

### Krier Speaks at Oshkosh

The Winnebago County (Wis.) Insurance Agents Association at a meeting in Oshkosh heard a talk by Urban Krier, executive secretary Wisconsin association, on the need for strong organization of local agents in national, state, county and local board groups for protection of their interests and the best interests of the insuring public. He told of plans and programs of the Wisconsin association and the diversified services it is rendering local agents.

### Beall Ind. Lumbermen's Secretary

Gold E. Beall has been elected secretary of Indiana Lumbermen's Mutual. He has been assistant secretary since 1943 and has been with the company 32 years.

### Milwaukee Adjusting Firm Change

Joseph E. Schiffler has disposed of his interests in Schiffler & Co., Milwaukee adjusters specializing in mutual company losses, and is retiring from the firm which he has operated with R. H. Barton since 1930. Both formerly were with Western Adjustment. Mr. Schiffler's holdings have been acquired by

Mr. Barton, Fred Johnson, in charge of the firm's Appleton office; Donald Wahl, Eau Claire manager, and Clement Eibl, with the Milwaukee office. All have been associated with the firm for many years. The business will be continued under the same name and in the same location.

### Rodman Succeeds Farwell

Eugene A. Rodman, recently released from the army air forces, has been appointed special agent for eastern Missouri and southern Illinois by Northwestern Mutual Fire. He succeeds Kermit Farwell, recently promoted to assistant manager of the midwestern department.

Before entering the army, Mr. Rodman was a special agent of the company in southern California. He became a lieutenant colonel and participated in the assault on Iwo Jima.

### Revise Kansas Hail Rates

Revised hail rates on wheat and growing crops effective in Kansas March 1 have eliminated the 3% territory with a minimum in the state now at 4% and have boosted certain sections of western Kansas to a maximum of 16%, the former maximum having been 14%. Greeley, Sherman and Wallace counties are now in the 16% area and portions of Cheyenne county in a new 15% area and portions of Thomas county in a 14% area. The surcharge rate applying to tobacco has been increased from 3 to 4%.

### Form New Des Moines Agency

DES MOINES—Edward T. Flynn, formerly vice-president of Upham Bros. agency, and Leo Dunn, Des Moines real estate agent, have formed a new agency to be known as the Dunn-Flynn agency.

Mr. Flynn, who has been with Upham Bros. since 1932, recently returned from two years with the 20th air force on Guam. He is a past president of the Des Moines Association of Insurance Agents.

### Moddrell Directs Prevention

Joe Moddrell of the Hoffman-Moddrell Agency, Wichita, program chairman of the Wichita Association of Insurance Agents, has been named chairman of the fire prevention committee of the Kansas association. Zone chairmen serving under him include Walter Schlatter, Kansas City; Helen Maletz, Pittsburg; R. I. Anderson, Emporia; Leal Anschutz, Russell; Fay Fitzpatrick, Salina; J. H. Engstrom, Jr., Wichita; L. N. Shaw, Goodland; E. C. Hathaway, Dodge City.

### Wanner Heads Wis. Mutuals

Plans for organizing a mutual bonding company were discussed at the annual meeting of the Wisconsin Association of Mutual Insurance Companies at Madison. Also there was a discussion about the formation of a town mutual actuarial bureau.

C. H. Wanner, Barron County Farm Mutual of Almena, was elected president. Benjamin Lang of Marshfield is vice-president and A. J. Rammer, Sheboygan, secretary.

### Mahoney Partner in Agency

George W. Mahoney, Jr., recently discharged from the OSS, has returned to Indianapolis and joined the Hadley-Mahoney agency as a junior partner. He served 21 months in the China-Burma-India theater and was discharged a staff sergeant.

### School for Agency Women

CINCINNATI—The Buckeye Union companies held a three-day school here for the women employed in the local

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agencies in which the companies are represented. The course is a comprehensive one designed to give a better familiarity with underwriting details, use of the manual, and claim procedure. Lecturers were S. W. Schellenger, superintendent of agencies, Columbus; C. M. Hebble, local manager, and A. C. Stollmaier, claim manager.

#### To Hear School Superintendent

**MINNEAPOLIS**—The Minneapolis Underwriters association and the Insurance club of Minneapolis will hold a joint luncheon meeting March 11. Willard F. Goslin, superintendent of Minneapolis schools, will speak on "Meeting the Needs of Education in Minneapolis." Mrs. Alice Fabianke, recording secretary of the underwriters association, is a member of the school board.

#### Discuss New Wisconsin Act

The Insurance Underwriters Association of Jefferson county at a dinner meeting in Jefferson, Wis., heard a discussion of the new Wisconsin safety responsibility act by Ben Marcus, state motor vehicle commissioner, and Roy Steensland, attorney in charge of enforcement of the new law. President Frank Kellerman, Watertown, was chairman.

#### Nebraska Assn. Plans Meetings

The Nebraska Association of Insurance Agents plan to hold a series of regional meetings throughout the state to bring to the agents of various localities information pertinent to their territorial problems. The first will be March 20 at Norfolk, and the second March 21 at Grand Island. The meetings will start at 10:30 a.m. and continue through the afternoon with adjournment for lunch.

#### Holmes Returns to Iowa Mutual

H. G. Holmes has returned to Iowa Mutual and Iowa Mutual Casualty after 2½ years in the navy. R. J. McDermott, Clement Prehn, Raymond Porter and Russell Lee are now in training at the home office. Mr. McDermott will remain in the home office in auto underwriting and advertising, and the others will enter field work.

#### Mutual Organizations Elect

Herbert Skinner of Barnesville has been chosen president of the Federation of Mutual Insurance Associations of Ohio with Mrs. W. H. Detterman, Green Springs, as secretary. C. L. Lynn of West Liberty has been named president of Ohio Mutual Tornado, Windstorm & Cyclone Association and Paul Krauter, Bucyrus, secretary.

#### Iowa '45 Losses Near Record

**DES MOINES**—Iowa's fire loss in 1945 was \$4,938,063, \$603,146 more than the previous year, State Fire Marshal J. Strohm reports. The 1945 loss was the highest since the record breaking loss of more than \$6 million in 1936.

#### Full Meet for Minn. Federation

**MINNEAPOLIS**—The Insurance Federation of Minnesota plans to hold a full length annual meeting here in June, as before the war. A speaker of national prominence is being sought. For the past two years the federation has held only skeleton annual meetings.

#### Souffrou Starts Own Agency

H. E. Souffrou, manager of Western Adjustment in Kalamazoo, has resigned to enter insurance as an independent agent in that city. He has purchased the Charles Schutz agency. Mr. Souffrou was with Western Adjustment for 15 years and was manager for the past six years.

#### Miller Buys Hutchinson Agency

The Hutchinson Investment Co. agency, Hutchinson, Kan., has been sold to O. L. Miller, new president, and B. C.

Rechel, new secretary-treasurer. Althea Cunningham continues to head the insurance department. Mr. Miller has been in the insurance and investment business for several years in Kansas, Missouri and Nebraska.

#### Noble Elected Vice-president

R. J. Noble has been elected vice-president of the Wheeler, Kelly & Hagny Investment Co. of Wichita. Mr. Noble, who joined the agency about a year ago, formerly was Kansas state agent of National Union for seven years and previously was secretary of the Noble Mortgage Co. agency.

#### Stiehl Speaks at Newton, Kan.

The Newton (Kan.) Insurance Board held a buffet supper meeting in which C. E. Stiehl, London & Lancashire state agent, Topeka, led a discussion on the 1943 policy and new Kansas forms and rules. The annual election will be held at the March meeting.

#### Berry Talks to Accountants

William H. Berry, Milwaukee, state agent of America Fore, gave an analysis of "Insurance for a Small Plant" at a luncheon meeting of the Milwaukee chapter, Wisconsin Society of Certified Public Accountants.

#### Cox Heads Insurance Council

**ST. LOUIS**—W. Ayton Cox, a broker with Geo. D. Capen & Co., was elected chairman of the Insurance Council of St. Louis at its annual meeting. He had served as secretary the past year and is succeeded in that office by George R. Schoen, Fidelity & Deposit.

#### NEWS BRIEFS

**Capt. James Casey**, former secretary of the Hutchinson Association of Insurance Agents, head of the insurance department and manager of the Mitchner Investment Co. there, has been assigned to headquarters at Manila as aide to the general but is hoping to be relieved so that he may return soon to the agency. He is a son-in-law of Bert A. Mitchner, Kansas director of taxation and registration, now living in Topeka.

Miss Elizabeth M. Lutze, daughter of **August Lutze**, Sheboygan, Wis., past president of the Wisconsin Association of Insurance Agents, was married there to Robert H. Meyer. The bride was a major in the WAC and saw considerable foreign service. Since her discharge last December she had been secretary to the Chinese ambassador in Washington.

**B. G. Gregory**, manager of the Insurance Board of St. Louis, and executive secretary of the Missouri Association of Insurance Agents, will speak on "Insurance Board of St. Louis Educational Activities" at luncheon meeting of the adult education council of Greater St. Louis, March 2.

**C. A. Bardessono** has been reelected president and Dora Quayle reelected secretary of the Hibbing (Minn.) Association of Insurance Underwriters.

W. H. Rolp has been named manager of the Central Securities Agency of **Newton, Kan.**, succeeding Dwight Eells, who resigned to enter commercial aviation.

**Seymour Drehmer**, Dodge City, Kan., agent and son of the late Ed Drehmer, long Kansas state agent of Connecticut, has been named president of the Chamber of Commerce there.

**G. L. Wood** has joined the C. D. Kessler agency, Peru, Ind., and will be in charge of accident-health and hospitalization sales. He has just completed the Continental Casualty home office course.

**Donald E. Chilcote**, St. Louis general agent, has moved from the first to the sixth floor of the Landreth building. This change greatly increases the office floor space.

The **Sioux Falls Association of Insurance Women** selected Ethel Aye, Shriver-Johnson, president of the association, and Ethel Wheat of the Queen City Fire

agency as delegates to the regional convention in Minneapolis March 16-17, with Helen Peterson of McKinney & Allen and Betty Johnson of Western Surety as alternates.

The **Hutchinson Association of Insurance Women** had a discussion on the new Kansas rules, forms and 1943 policy at the February dinner meeting.

The **Indianapolis Association of Insurance Women** at their annual meeting elected as president, Genevieve Wiese, Marsh & McLennan; vice-president, Amanda Schultz, Smith Bros. agency; re-

cording secretary, Irma Smith, Pictorial Publishers; corresponding secretary, Melvina McLane, Cooling Grumme, Mumford; treasurer, Ann Clappitt, Employers Fire.

The **Sioux City Insurance Women's Association** held a Valentine party. A business meeting followed a dinner with Mrs. Dorothy Rank presiding.

The **Insurance Women's Association of Kansas City** had a "bosses night" dinner with 100 in attendance. A cocktail hour preceded the dinner. John G. McFarland, assistant manager of American, Rockford, Ill., was the speaker.

## IN THE SOUTHERN STATES

### Senn, Forbes Vice-Presidents of T. G. Redden Agency

**GREENSBORO**—R. M. Senn, assistant secretary of the National Fire, and C. R. Forbes, special claims representative in the southern states for the Hartford Accident, have been elected vice-presidents of the Thomas Gresham Redden agency of Greensboro.

Mr. Senn and Mr. Forbes have acquired substantial ownership interests in the agency and will be

directors of the corporation. Mr. Redden, who has headed the concern since it was established in 1927, continues as president and treasurer, and Irene B. Sapp remains secretary and assistant treasurer. Both are also directors.

Mr. Senn before his transfer to the home office of National Fire in 1944, was for several years its state agent in North Carolina with headquarters at Charlotte. His insurance career began in 1925 when he joined the Dallas general agency of Trezevant & Cochran as special agent. Later he became state agent in Oklahoma for St. Paul F. & M. where he remained until he took charge in North Carolina for National Fire in 1940.

Mr. Forbes was born in Atlanta and graduated from Woodrow Wilson College of Law in 1936. He entered the insurance business as an adjuster with Hartford Accident at its southern department office in Atlanta. Later he was successively in charge of claim offices at Augusta, Ga., Montgomery, Ala., and Greensboro. In 1942 he was advanced to special claim representative for the entire southern states territory.

### Four Additions to Field Force of A. H. Turner

Several servicemen have returned to A. H. Turner, manager, Atlanta, and others have joined the field force.

James J. Howe has returned to the Louisiana-Mississippi field after release from the navy as a lieutenant-commander.

Fred Volberg, following release from the army has returned as special agent in Florida.

Barney Dunlap, recently released as a captain in the army air corps, is traveling Georgia. Mr. Dunlap before entering service was with the Georgia Inspection & Rating Bureau.

Frank H. Dobbins, who has been connected with Fireman's Fund for 10 years, except for a period in service, will become special agent in Alabama.

### South Carolina Assn. to Meet at Charleston June 6-7

The South Carolina Association of Insurance Agents has selected Charleston for its annual convention of June 6-7. The Francis Marion will be the convention hotel but it will be necessary to use the available space in several other hotels, including the Fort Sumter, which will be open by that time.

### Col. Mayfield Rejoins His Greenville Adjusting Firm

Col. T. M. Mayfield, of the adjusting firm of T. M. Mayfield & Co., Greenville, S. C., has returned after five years with the field artillery, including fourteen months overseas. Also, Maj. D. S. Vandiver, Jr., has returned from the Pacific theater, where he has been stationed for two years, and has resumed his position as adjuster with the firm.

The firm, which has represented only fire companies for 21 years, has now added a casualty claims department under the supervision of C. S. Maclin, an experienced casualty adjuster. He recently left the navy. The firm is moving to larger quarters at 19 South Irvin street, Greenville.

### Dexter Agency 71 Years Old

The Charles L. Dexter & Co. local agency of Dallas will start its 71st year March 1. When it was established the city had a population of 4,000. George J. Dexter opened the business and a year later was joined by his brother, Charles, father of the present owners. In 1894, after 18 years' local agency work, George was appointed manager by two fire companies and moved to Atlanta, when the agency became the sole property of Charles and the present firm name was adopted. In 1907, George L., son of the owner, joined the force and a few years later was admitted to the firm. Chas. L., Jr., was admitted to membership in 1912. Both owners devote their full time to the business.

### Pick Tennessee Manager Soon

**NASHVILLE**—The Tennessee Association of Insurance Agents should have a new secretary-manager within the next 30 days to succeed R. T. Cawthon, who resigned last November, according to Joe Bandy, chairman of a special committee to secure a secretary-manager. The search has narrowed down to a choice between two men. President J. M. Donoho, Hartsville, will call a special session of the executive committee to act on the choice of the special committee when made. Mr. Cawthon, back with his own local agency in Franklin, spends one day each week in the Nashville office to keep the business of the association moving.

### Meet in Bartlesville March 8

A regional meeting March 8 was announced for Bartlesville by Fred F. Fox, secretary Oklahoma Association of Insurance Agents. Speakers will be L. E. Antene, who will explain the new policies and changes that became effective Jan. 1, and C. O. Hunt, secretary Oklahoma insurance board. A film will be shown picturing the bank and agent plan in action. A complimentary luncheon will be given at Hillcrest Country Club. The meeting will be in charge of Harry Parrish, Tulsa, president.

### Honor Veteran Kentucky Agent

About 50 insurance men will gather at Owensboro, Ky., to do honor to J. P. Morgan of Greenville, Ky., commemorating his 45 years in the local agency business at Greenville. The business actually goes back to 1893 when it was founded by his late father.

The agency has 18 companies, some of which have been with it since it was

formed, and others for from 25 to 45 years.

### Bales Returns to Atlanta

ATLANTA—Maj. J. Clayton Bales, in insurance work here prior to the war, has joined the Spratlin, Harrington & Thomas agency. He was on the staff of the commanding general of the depot at Mira Loma, Cal., as intelligence officer and in charge of internal security.

### Heavy Loss at Macon, Ga.

Fire causing \$150,000 damage and imperiling the Dempsey hotel, the occupants of which were evacuated as a precautionary measure, destroyed the building at Macon, Ga., occupied by the Thorpe Company, men's clothing concern.

### Big Fertilizer Plant Loss

MOULTREE, GA.—The Taylor Fertilizer Works here was destroyed by fire with a loss of \$225,000. The plant had 2,000 tons of finished fertilizer, sacked ready for delivery, in addition to a large quantity of raw material.

### Stone, Diemand, Brown in N. C.

An attendance of more than 500 is expected for the annual meeting of the North Carolina Association of Insurance Agents at the Carolina Hotel, Pinehurst, May 3-5. The speakers will include E. C. Stone, U. S. manager

of Employers Liability; John A. Diemand, president of North America, and Hunter Brown, Pensacola, president National Association of Insurance Agents.

### Big Atlanta Rubber Loss

ATLANTA—Fire loss of \$400,000 was sustained here when Dixie Rubber Products burned. Contents loss included 1 million old tires, 15 cars baled rubber and 35,000 manufactured items. Continental Gin Co. was owner of the four-story brick building.

### NEWS BRIEFS

W. D. Chamberlain has been appointed head of the insurance department of James R. Chamberlain Co., Chattanooga.

J. Rector Weaver, local agent, has been elected president of the Knoxville Retail Credit Association.

Robert E. Hill, Chattanooga, local agent and a director of the National Association of Mutual Insurance Agents, was married to Miss Catherine W. Ransom.

James Toohey of Bennett & Edwards agency has been elected secretary of the Kingsport (Tenn.) Junior Chamber of Commerce, just organized.

The Insurance Women of New Orleans at a meeting heard a talk by R. Kirby Longino, president New Orleans Association of Commerce, on "New Orleans in the Post War Period." Four changes in constitution and by-laws were adopted.

sociation of Insurance Agents has been able to obtain the full cooperation of the local banks and also the members of the association on the bank agent auto finance plan.

### Planet Setup at Newark

Standard Accident branch officials at Newark have been appointed to handle the affairs there of the affiliated Planet. J. M. Durling is manager for Planet and C. J. Collins is associate manager.

### Newark Agency Has Claim Dept.

The C. J. Simons & Co., agency of Newark has a claim department, with

Morris Booth as manager. Before the war he was investigator of insurance claims for attorneys in New York City, and during the war did special investigation work for the government abroad.

### Big Insurance Square Party

More than 400 attended the entertainment and dance of the Insurance Square Club of New Jersey, at Hoboken.

The Syracuse Insurance Women's Association had F. L. Stone of the board of education as guest speaker. A field worker with the Red Cross, he spoke on occupied Europe. Plans were discussed for a card party Feb. 21.

## PACIFIC COAST AND MOUNTAIN

### Washington Agents Offer Seven State Code Proposals

SEATTLE—The Washington Association of Insurance Agents has offered seven proposed changes in the state insurance laws which are being recodified by R. D. Williams, special deputy insurance commissioner, for presentation to the 1947 legislature. Several of the proposals are designed to tighten the qualification requirements for agents, while the others others are of a general nature. They include:

1. All mutuals, reciprocals or other dividend-paying carriers must pay any policy dividends or discounts to and in the name of the real party in interest.
2. All agents and brokers must maintain a business office, open to the public during all normal business hours, maintaining a complete set of accounting books showing all transactions, with copies of all policies issued or arranged and endorsements pertaining to them.
3. Any person desiring a license shall be required to take and pass an examination given for all property insurance fields, except ocean marine, whether or not such applicant desires to solicit one type of property insurance.
4. Any insurer shall be permitted, provided its charter will allow, to write so-called depreciation insurance, subject, however, to any statutory reserves and deposits required by the commissioner.
5. Nothing in any law of this state shall be construed to forbid the existence and operation of organizations of insurance agents or insurance brokers, instituted for the purpose of mutual help, and not having capital stock or profit, or to forbid or restrain members of such organizations from lawfully carrying out the legitimate objects thereof; nor shall such organizations or the members thereof be held or construed to be illegal combinations or conspiracies in restraint of trade.
6. Each agent and broker must provide, at his own expense, a bond for \$1,000 to protect the insuring public against any misfeasance of the agent or broker.
7. The use of credit by any agent or broker to coerce the placing of any insurance shall be prohibited.

### Norwich Union Men Are Appointed on Coast

Alan Mateer has been appointed superintendent of agencies for Norwich Union at San Francisco. S. M. Roberts has been appointed manager of the metropolitan department succeeding P. F. Gardiner, and Donald M. Ermet as special agent for the coast territory south of San Francisco and San Joaquin Valley.

### Nowak Advances at Denver

Fred S. James & Co. has appointed Charles F. Nowak to succeed D. L. Jacobs as an associate of William L. Montgomery, in charge of the Denver office.

### Utah Agents Name Webb New Executive Secretary

Arch G. Webb has been appointed executive secretary of the Utah Association succeeding Arnold E. Burgener, resigned.

Mr. Webb is a graduate of the University of Utah, and has an LL.B. from George Washington University. He was with the Idaho Refining Company as local legal adviser and credit manager.

Mr. Webb was in the army for 3½ years, much of it in the Pacific area, and was released as a major.

He is now executive secretary of the Utah chapter of the National Association of Home Builders and will hold his new assignment at the same time.



Arch G. Webb

### Fairbanks Loss Exaggerated

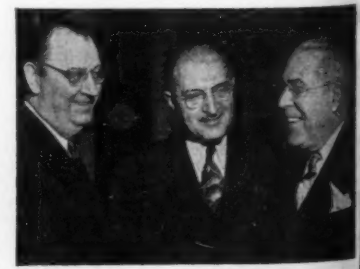
SEATTLE—Loss to property in the Fairbanks, Alaska, fire last month is not as serious as originally reported, according to companies that had lines on some of the risks which were damaged. Originally, newspaper accounts placed the loss at close to \$500,000. On the basis of almost completed reports of companies involved, the loss will not exceed \$100,000.

Only two frame mercantile buildings and contents were destroyed, with several other adjacent structures damaged.

### Session on Aviation Cover

LOS ANGELES—S. S. Linder of Aero Insurance Underwriters led the session devoted to aviation insurance in the insurance course sponsored by the

## Making It Official



Pittsburgh's mayor, David L. Lawrence, discusses his official proclamation Monday, March 4, at Pittsburgh Insurance Day with Norbert H. Weidner, Reliance Life, and Val E. Schott, Aetna Casualty.

From left to right: Mr. Weidner, general chairman of insurance day; Mr. Schott, president Insurance Club of Pittsburgh; and Mayor Lawrence.

## EASTERN STATES ACTIVITIES

### Hit Overwriting Commissions in Hartford Insurance Plan

HARTFORD—Herbert F. Fisher, Sr., elected city insurance supervisor to succeed Alfred N. Premo, has announced that he plans to make several radical changes in the insurance commission distribution plan that has been in effect here for 14 years. He said he contemplates no material changes in the so-called Premo plan under which 185 agents in the city receive commissions according to the amount of taxes they pay.

One change will be bonding all trustees of the insurance commission fund for \$10,000 each. "It is hoped," he said, "that the trustees will be able in the future to make annual accounting of their receipts and disbursements, which it is found have not been made since the inauguration of the plan, the said account having been carried continuously since that time as a so-called 'open running account.'"

Mr. Fisher said also that he hoped to have each agent's share in commissions under the revised plan increased by contributions from general agents "and possibly some so-called regional agents" of substantial overwriting commissions received from their home offices. "It would seem quite equitable and fair to the trustees as well as to the agents who derive benefits from this plan that no overwriting commissions of general agents or regional agents be allowed in the future, especially in those cases where they also are participating in the distribution under the plan."

### O'Connor to Pittsburgh for Employers Fire

J. F. O'Connor, Pennsylvania state agent for Employers Fire since 1939, has been appointed manager of the Pittsburgh service department, replacing Richard Ladley.

Mr. O'Connor began in insurance in 1916 with Frank & DuBois, New York City. Before joining the Employers group for 10 years he was in Pittsburgh as state agent for Yorkshire.

### FCIC Tobacco Cover Plan

HARTFORD—Tobacco growers in Hartford county have been notified that May 25 will be the closing date for applications for the experimental tobacco crop insurance plan, being inaugurated here by the Federal Crop Insurance Corporation. This county, along with five others of the 19 in which the program is being offered this year, is excluded from insurance protection on loss of tobacco due to wind, lightning, fire, hurricane or tornado, where such loss occurs after the harvest.

FCIC may offer insurance not to exceed 75% of the investment in the crop, or not to exceed 75% of the average yield for the farm. The farmer has to choose one or the other. Rates will be fixed to cover claims for 1946 tobacco crop losses and to provide a reasonable reserve against unforeseen losses.

### Farewell to Roy D'Espard

WASHINGTON—At the monthly luncheon meeting of the Insurance Club of Washington, besides hearing address by Roy A. Duffus, of Rochester, it was voted to make H. E. C. Rainey, former manager of the D. C. Rating Bureau, an honorary member of the club. Mr. Rainey is retiring to his old home on Cape Cod.

The club gave a hand to Roy D'Espard, head of Fire Companies Adjustment Bureau here, who is moving to New York, after 26 years service, to take charge of public relations of the bureau there.

### Atlantic City Bank-Agent Plan

ATLANTIC CITY—President Steelman reported that the Atlantic City As-

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Insurance Association of Los Angeles. The insurance laws of California will be the subject of another session, with Robert McWilliams, insurance attorney, and Harry Perk, Jr., former president California Association of Insurance Agents and member of the executive committee of the N.A.I.A., a member of the California bar, conducting the session. N.E. Branch of the Aronson-Gale agency, had charge of the extended coverage topic at the session on fire insurance.

Wilson Pierce, of Pierce & Sibert, former president of the Los Angeles association, has been appointed chairman of the association's program committee.

### Rise in Building Costs Told

SPOKANE, WASH.—Walter Meyers, Spokane contractor, talked to the Spokane Insurance Association on the rise in building replacement costs, pointing out that the price of lumber increased from \$33 per thousand in 1932 to \$53 in 1946. Another factor in the sharp rise is the increase in the wage scale. A common laborer earned 62½ cents per hour in 1932, 75 cents in 1941 and now receives \$1.25. In addition, the efficiency of labor has dropped sharply.

Replacement cost of class "A" buildings has risen 65 to 70% over the cost level of 1941. Dwelling costs are up 50%.

### N. W. Mutual Coast Conference

SEATTLE—The annual conference of department managers of the Northwestern Mutual Fire's western division was held in the home office. In attendance were Managers R. G. Brandy, Salt Lake City; Carl Schreiber, Los Angeles; H. O. McPherson, San Francisco; J. A. Rhodes, Portland, Ore.; A. B. Robertson, Vancouver, B. C.; and W. H. Crisman of Washington, Seattle; General Agents O. J. Armstrong, Kallispell, Mont., and Frank Kleinman, Phoenix, Ariz., together with special agents from each department.

### Crawford Portland Manager

Donald D. Crawford, formerly special agent, has been appointed branch manager at Portland, Ore., for Seeley & Co. He succeeds Harold B. Larson, who resigned because of his health and is now operating a local agency in Portland.

Mr. Crawford before going with Seeley & Co. was with Zurich in southern California for 12 years, as payroll auditor, casualty underwriter and special agent.

### Reelect C.P.C.U. Officers

LOS ANGELES—The Pacific chapter of C.P.C.U. has reelected its officers: President, Walter W. Bennett, Bennett-Warner Co.; vice-president, Robert McWilliams, C.P.C.U. insurance attorney; secretary-treasurer, Rees E. Roston.

### NEWS BRIEFS

Harold B. Larson, Portland, Ore., manager of Seeley & Co., for past several years, has resigned to open a local agency, the H. B. Larson Co.

Lewis M. Foster, following discharge from the navy with the rank of lieutenant, will reopen his insurance office in Los Angeles. Before entering the service two years ago he was secretary of the Insurance Association of Los Angeles.

Jerrold L. Seawell, local agent at Roseville, Cal., has announced his candidacy for member of the California state board of equalization. He has served in the California legislature more than 20 years, both as assemblyman and senator, and is president pro tempore of the senate.

William M. Smith, formerly with Chastek & Wheelock of Seattle has joined the Scott Insurance Agency. He was discharged from the army recently after several years of service.

## CANADIAN

### Col. Brake Named Manager of Ontario Agents

TORONTO—Lt.-Col. Ivor S. Brake, of London, Ont., has been appointed manager of the Ontario Insurance Agents Association. He is not an insurance man and never has been associated with the insurance business, but is a recognized authority in personnel work and business administration, job analysis and general economics.

Col. Brake will operate out of London, although the secretary-treasurer's office will remain in Toronto. Col. Brake went to London from Victoria, B. C., in 1926 and for six years was associated with Isard, Robertson & Co., investment brokers.

In 1939 he was called to the Canadian army headquarters staff and later moved to Camp Borden as general staff officer. In 1942 he was transferred to Toronto in charge of all special schools, and in 1943 set up in 13 universities and colleges special courses for officers in mathematics, physics and applied science. He is a former concert pianist, organist and composer.

### Queensland Expands in Canada

Queensland has appointed Anglo-Canadian Underwriters, Ltd., its principal agent in Quebec. C. E. Pacaud, Montreal, has been named attorney. A short time ago the company appointed McCulloch Insurance Agencies, Montreal, as marine general agents. It has been operating in British Columbia for some time and now plans to expand throughout Canada. J. L. Robertson, Vancouver, is Canadian manager.

### Canadian Fire Changes

A. L. Denison has become vice-president and managing director of Canadian Fire. James A. Dowler has been made general manager; Culver Riley, assistant general manager; T. Bruce Ross, secretary; W. S. Scott, treasurer.

### Moose Jaw Agents Elect

At the annual meeting of the Insurance Agents Association of Moose Jaw, C. W. Kern, Kern Insurance Agencies, was elected president and James Smith vice-president.

J. E. Dinell has been appointed assistant manager of P. J. Perrin, Inc., Montreal, and of Canadian Alliance. He succeeds R. F. Gour, resigned.

Despite the fact that he is now 80 years old, Charles Priestman, secretary-treasurer of the Ontario Insurance Agents Association, is planning again to make his annual 25-mile Toronto to Oakville walk March 17. He is confident that he will again do the stint in the time limit of six hours.

## MARINE

### Second PPF Bill Is Introduced in New York

ALBANY—A second bill to permit casualty companies to write the personal floater was introduced in the New York house and senate. It is backed by insurance interests, and is understood to have insurance department approval.

It fits in with the pattern of the state insurance law, which the one previously introduced at the instance of Risk Research Institute in connection with its other multiple-line underwriting bills, is said not to do quite so well. The second bill follows the Diemand committee report. It would permit New York casualty companies to write the personal property floater. They are not now able to do so, although outstate

casualty companies can, which places the home state carriers at a distinct disadvantage. This was recognized in Superintendent's Dineen's preliminary report on legislation to the legislature. He emphasized the need for the legislature to remove the inequity.

### McGee & Co., Chicago Office Moves to Larger Quarters

The Chicago office of Wm. H. McGee & Co., marine underwriters, which has supervision over the middle-western states west of Illinois, has had Michigan, Indiana, Ohio, Kentucky, Texas, Arkansas and Oklahoma added to its jurisdiction. In addition to a number of leading companies it now represents for marine business Royal Exchange and Indemnity Marine. These changes have made necessary larger operating quarters and Monday the firm moved to considerably larger offices in A-901 Insurance Exchange building.

### Barry Bill Requires Insuring in U. S. Market

Rep. Barry of New York introduced in Congress a bill requiring the insuring in companies licensed in this country of any goods or products bought through proceeds of any loan made by the Export-Import bank or any other federal lending agency. The measure has been referred to the house committee on banking and currency.

### Report No "Yukon" Cargo Loss

PORTLAND, ORE.—As yet no losses have been reported to cargo aboard the "Yukon," the ship which broke in two when it grounded in Johnson Bay near Ketchikan, Alaska. Home had about \$29,000 coverage on cargo, but it is believed that this cargo is undamaged and has been safely returned to the shipper at Seward, Alaska.

### Marine Managers Conference

The marine managers of Automobile and Standard Fire of Hartford throughout the country are gathering next week at Sky Top Inn in Pennsylvania for a conference with head office marine executives. These are traditional meetings but they were not held during the war.

### Joseph Addresses Jewelers

LOS ANGELES—Joseph E. Joseph, resident manager Commercial Union-Ocean group, spoke before the Huntington Park Jewelers Association on the jewelers block policy, telling terms of the policy and benefits to be derived.

### Residence Theft Premiums Raised

(CONTINUED FROM PAGE 12)

imum premium of 50% of the mercantile safe minimum premium. There are two standard endorsements for these new coverages, each containing an optional insuring clause for an extension to cover inside the premises while a custodian is not on duty. Like the paymaster robbery policy, the broad form endorsement applying inside and outside the premises also covers up to 10% of the amount of insurance on money and securities not intended for payroll, but only as to

loss occurring in the custody of a custodian outside the premises. Exclusions are practically the same as in the money and securities policy, broad form.

Like the paymaster robbery policy, the new broad form coverages may be written on an audit basis for contractors and mining risks with an annual payroll of at least \$2½ million, at rates a little more than twice those charged for paymaster robbery insurance on this basis.

The rule for the securities insurance policy, covering securities deposited for safekeeping with a bank or trust company, has been revised to eliminate the exclusion of insured eligible for bankers' blanket bonds.

Several new rules have been published for the money and securities policy, broad form. There is a standard "pick-up" endorsement which permits credit to be given for existing specific insurance covering exposures and property included in the broad form contract. Under this endorsement, a premium credit is allowed on existing insurance which has been in effect for more than 60 days prior to the effective date of the broad form contract, on a pro rata basis. The endorsement suspends coverage under the broad form policy of any risk protected by the specific insurance, until expiration of the specific insurance, at which time this risk is picked up. The new rule provides that the premium credit must not reduce the broad form premium below the prescribed minimum premium.

Another new rule in the broad form section permits the definition of premises in policies written for risks such as gasoline stations to be extended to cover the entire plot of ground on which the office or store is located. There is an additional charge of 50% of the premises premium, including the minimum premium, for this extension. Likewise, the premises coverage under the broad form policy may be extended to include a night depository safe in a bank.

There is considerable difference of opinion among burglary men as to the adequacy of the residence theft increases. The action was obviously a compromise and many underwriters feel that the \$3 increase is only a sop. Underwriters generally had wanted the deductible made mandatory, but there was strong pressure from the field and agency forces against this.

### Adequate Airports Essential

(CONTINUED FROM PAGE 14)

the average person and has come to represent the large sort of landing area where the scheduled transport planes land, a sort of Grand Central station. Actually these large airports, under transport operation procedure, are not suitable to the use of the personal type plane nor is the personal flyer particularly welcome on this type of airport. He has little desire, for that matter, to use these big airports. His need is best served by the smaller landing facility which in the C.A.A. phraseology is known as class 1 or 2 airport. There are facilities that are preferably designated by the word "airport."

Mr. Geuting quoted W. A. M. Burden, Assistant Secretary of Commerce, as saying that the national airport system is in pretty good shape as far as the big field for major airline systems is concerned, but sadly lacking in a proper distribution of small airports or air-

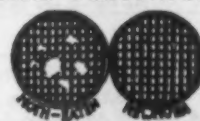
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parks for personal flying. There are now fewer than 2,000 air fields suitable for personal aircraft.

"Is it any wonder," Mr. Geuting asked, "that personal flying has not developed on the same basis as has military aviation and transport aviation? Yet in the airplane for personal use there is the most expensible part of this great industry. Airparks are what we need, airparks are what we must have, if we are going to make it possible for the average man to take advantage of the great convenience that comes from this new means of travel."

Furthermore, development of ground facilities for private flying may offer city planners a unique opportunity to put into effect other civic improvements which could hardly be achieved except as a part of this development. Local service can be centered there. Commercial activity will be attracted in the form of repair shops, etc., and neighborhood shopping centers may be provided in connection with the car-parking areas on the fringes of the airport.

Mr. Geuting quoted Assistant Secretary of Commerce Burden as predicting that there will be 500,000 civil aircraft flying in 10 years and that perhaps 99 out of every 100 will be personal planes. This means, he said, that cities should plan now to provide air park landing facilities.

## Social Security Hearings Presage Changes

(CONTINUED FROM PAGE 20)

will consider health insurance and asked the witness to be prepared on that subject later. Dingell asked for statistics on the number of veterans never covered by OASI and those suffering in their benefits by reason of military service.

Altmeyer said most non-profit groups would be willing to have their employees covered under OASI if provision is made assuring that such tax would not be a precedent for other taxation. He estimated the present 1% tax rate would cover OASI costs for five years. He did not favor benefits following changes in living costs, he said. He did not think the 1939 law with provisions for increased benefits without increasing tax rates interfered with the "actuarial soundness" of the system. To the extent the system is made all-inclusive, he said, the more justification there would be for government subsidizing the system out of the general revenues.

On the basis of present OASI coverage, benefit rates and taxes, and an average annual income estimated by the SSB staff of \$1,500 for men and \$900 for women, Altmeyer estimated that benefits would "catch up" with social security tax income in "at least 10

years." The OASI reserve fund, he estimated, "may be" about \$11 billion at the end of five years, and "close to" \$14 billion in 10 years. Further, he estimated, that \$14 billion would be "dissipated" in "perhaps 15 or 20 years." The longer the present tax rate is kept, he said, the more certain it is the government will have to subsidize OASI. Present cost of administering the system is about \$29 or \$30 million, witness said.

Mr. Altmeyer said there are 1,300,000 receiving monthly benefit. By the end of 1946 the number will probably have increased to almost 2 million.

This federal old-age and survivors insurance constitutes the largest permanent insurance system in the world.

The cost of administration is about 2% of contributions collected and about 10% of benefit payments. As benefit rolls increase the cost of administration will decline to less than 5% of benefit payments.

Certain items such as tips and dismissal wages which are now not considered "wages," should be included as wages.

There should be a higher minimum benefit than the present \$10 a month.

The maximum total amount payable to the worker and his dependents is \$85 a month, twice the primary benefit amount, or 80% of the average monthly wage of the insured worker, whichever is least. The board believes that the \$85 limit should be raised and that the limitation of twice the primary benefit should be eliminated. This would provide more adequate benefits for a widow with several children.

Of the married men who reach age 65, less than 20% have wives who also have reached age 65. The age requirement is lower for women than for men in many of the programs of foreign countries. The board, therefore, recommends that consideration be given to reducing the age at which women may qualify for a retirement benefit or a wife's benefit from 65 to 60 years.

The law provides a small lump sum payment if there are no surviving dependents entitled to monthly benefits at the time of the worker's death. The board recommends that this sum be paid whether or not there are dependents entitled to monthly benefits.

The board believes that earning of \$30 a month in covered employment should be permitted without suspension of benefits.

Disability is among the important causes of insecurity. On an average day, about 3½ million persons are suffering from disabilities which have already lasted six months or more. About 1½ million of these are in the ages between 15 and 65 and, but for their disability, would have been engaged in production work. Disability is one of the major causes of dependency. In 70% of the households where the head of the family was disabled, per capita income was less than \$150 a year. Nearly one-fourth of the children granted aid under the assistance program are the children of disabled fathers.

The board strongly recommends the inclusion of permanent total disability insurance in the system.

If the committee does not consider it advisable to extend coverage to all agricultural workers at this time, the board recommends that at least the language of the present exception relating to "agricultural labor" be modified to make certain that this exception applies only to the services of a farm hand employed by a small farmer to do the ordinary work connected with his farm.

The chief problem, so far as affording servicemen the protection of the OASI system is concerned, is to make certain that survivors benefits are payable during the period immediately following active military service when they will not yet have had an opportunity to build up survivors benefit rights. One method would be to provide that in case of any death to a serviceman occurring during a fixed period following discharge survivor would be guaranteed benefits under the system, based on an assumed average monthly wage, such as \$160.

Following testimony of R. T. Comp-

ton, National Manufacturers attorney, favoring all-inclusive coverage under OASI, but proposing to put OASI on a pay-as-you-go basis, Altmeyer returned to the stand Tuesday, for examination on the basis of his prepared statement and recommendations.

Compton suggested partial disbursement of the present \$7 billion reserve fund, before increasing payroll taxes, which should not be done until benefit payments reach one-fifth of contributions. His views were interpreted by Altmeyer, however, as favoring reserve of 5 to 10 times as high as annual disbursement "over the next 5 years or so." Under the present system, said Altmeyer, annual disbursement may be \$4 to \$6 billion, which, multiplied by 10 would mean a reserve of \$40 to \$60 billion.

Under the original schedule, Altmeyer said, by the year 2,000, the trust fund might reach \$62 to \$92 billion. He advocated permanent disability insurance with benefits for disability lasting six months or more.

In lengthy cross-examination by Rep. Gearhart the latter urged adoption of pay-as-you-go plan, which he insisted would be cheaper. Under the present system, he took the position, the public is deceived because it sees special payroll taxation for social security but has to pay taxes for interest payable by the Treasury on government bonds in which social security trust funds are invested.

## Life Company Investments

Altmeyer, however, said interest on those bonds would have to be met by taxpayers if the bonds were held by life companies and other investors. He said during the last year or two life companies have invested practically all current premium receipts in government bonds.

"Yes, but Uncle Sam takes these taxes without consent of the people, and life companies could not," said Gearhart.

Altmeyer said alternatives to the present system of financing social security would be to increase payroll taxes "by 5% or more ultimately," or government subsidy payable by uninsured persons to help support the system.

When Gearhart inquired if the system is not "analogous to old line life companies," Altmeyer said: "No, because the government has the taxing power and can increase the rates. Private companies would not likely do that. Fraternals tried that with disastrous results. As rates go up people won't pay them, drop out, and current payment of policies would outrun receipts."

"That is the mutual system," said Gearhart.

Altmeyer said the system is not like old line life companies because rates would have to be high enough at the beginning to meet all eventualities.

Gearhart claimed that on a pay-as-you-go basis under which receipts would be used to pay matured claims currently, social security could "get by on ¼% tax on employer and employees at present, but the percentage might have to be raised later. Why go through all this elaborate financing," he asked which he predicted, will lead to disastrous conclusion.

Altmeyer replied that young people would have to "pay higher rates than for private insurance; the maximum would have to be 10% instead of 6%."

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# Hold your Automobile Business

## ... AND ATTRACT NEW PREMIUMS



You can do both if you take full advantage of the Bank and Agent Auto Finance Plan. Unless you support this plan it may mean substantial loss of income. Local agents and local banks, countrywide, are now working together to sell prospective car buyers on the many merits of this friendly community method of financing and insuring automobiles.

To assist agents of the Royal-Liverpool Group to publicize and popularize this plan, and thereby to write a maximum volume of Automobile premiums, we have made available to them the sales kit here shown, which makes possible an effective, *sustained* campaign.



- 1 Display poster for wall or window use
- 2 Easel-back counter display card
- 3 Reduced reproduction of poster for mailing enclosure
- 4 Direct mail sales folder
- 5 Special sales folder for cooperating banks
- 6 Policy tab
- 7 Blotter
- 8 Identification card

A request addressed to our Publicity Department will bring you a complimentary copy of this sales kit — one of our Group's many production aids on various coverages.

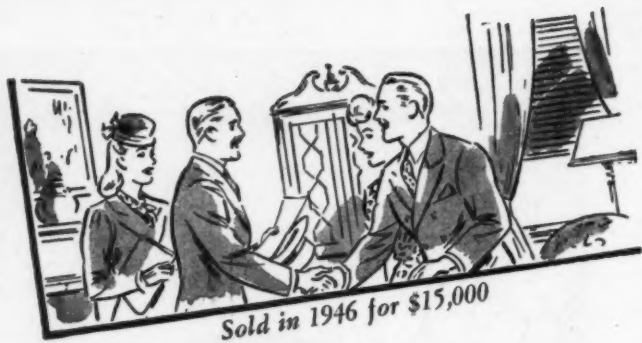
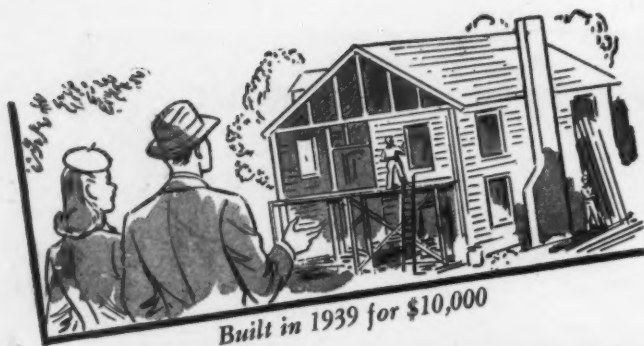
Fire and Casualty Companies of the

# ROYAL-LIVERPOOL GROUP

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK 8, N. Y.

AMERICAN & FOREIGN INSURANCE COMPANY, LTD. — BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. — CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA, LTD. — THE LIVERPOOL & LONDON & GLOBE INSURANCE CO., LTD. — THOMAS & MERSEY MARINE INSURANCE COMPANY, LTD. — QUINCY INSURANCE COMPANY OF AMERICA, LTD. — THE NEWARK FIRE INSURANCE COMPANY, LTD. — FEDERAL UNION INSURANCE COMPANY, LTD. — ROYAL INSURANCE COMPANY, LTD. — THE SEABOARD INSURANCE COMPANY, LTD. — STAR INSURANCE COMPANY OF AMERICA, LTD. — LIGHT INDEMNITY COMPANY, LTD. — GLOBE INDEMNITY COMPANY, LTD. — ROYAL INDEMNITY COMPANY, LTD.

# The Story of a Home...



Picture this home—built in 1939 for \$10,000, and *fully insured* against fire. The owner paid his premiums promptly, his insurance agent faithfully kept the policy in force. Yet *somebody failed*, for the owner suffered a 50% loss when this home was destroyed by fire recently!

Why?

Under soaring property values, many an owner has outgrown insurance coverage that hasn't kept pace with increasing replacement costs. When fire strikes, his insurance offers only partial protection.

The same loss pattern is intensified when a co-insurance clause is in effect and valuation is set too low—the actual loss increases as values in-

crease. That's unfortunate—bad for the insured *and* the insurance agent.

Alert Home Insurance producers, therefore, are awakening policyholders to the situation, urging re-appraisal of values. Backing them up, The Home Insurance Company is doing everything possible to show the need for added insurance to cover today's increased values.

★ THE HOME ★  
*Insurance Company*  
NEW YORK

FIRE • AUTOMOBILE • MARINE



Handwritten mark or signature in the top right corner.